

**EASTERN UNIVERSITY, SRI LANKA**

**Faculty of Commerce and Management**

**Third Year/Second Semester Examination in Business Administration –**

**2011/2012 (Specialization in Marketing Management)**

**(August/September 2014)**

**(Proper/Repeat)**

**MKT 3053: Sales and Retail Management**

Answer all five (5) questions

Time: 03 hours

Q1) Read the case study and answer the questions given below:

**Leadership: Who is Best for the job in C & D FOODS, INC.**

C & D Foods is a stable, old-line, family-owned food broker located in Birmingham, Alabama. The firm was started in 1948 by Marty Wilson and later managed by his sons, Steve, William, and John Wilson. C & D carries some top food brands, most of which are found in the frozen-food cases in supermarkets and in neighbourhood grocery stores. Almost 200 salespeople sell to retail and wholesale accounts in Alabama, Mississippi, Georgia, and the Florida Panhandle. Some brands C & D sells are Pillsbury Frozen Food Products, Green Giant, Mrs. Paul's Ore-Ida, Weight Watchers, Totino's and Gino's Pizzas, Minute Maid, and Hot Pockets. Sales have grown steadily over the years, and the sales forecast predicts continued yearly increases of approximately 12 percent.

Tom Pirkle has been with C & D Foods for almost seven years and has been in the top 10 percent of sales producers in the past three years. He started with the company directly out of college and has earned the reputation of being easy to work with and professional in every way. Not only has Tom been a top salesperson at C & D, but also he has become a leader in the Birmingham business community. He had applied for an area sales manager's position with C & D that would soon be opening in Birmingham because of an upcoming retirement. In the past few months, however Tom had become uneasy about his chances for promotion and had talked with his retiring area sales manager, Bob O'Brien. He had thought about talking with general sales manager, Don Hendon, but had not yet gotten around to it. O'Brien told him he was truly

appreciated and respected by the company and would be given "full consideration" for the upcoming vacancy. But the area sales manager was not very encouraging about Tom's chances of getting the promotion. Tom knew Bob O' Brien well enough to know that he was not being up front with him and that something else was probably going on privately.

In 1987 an inside salesperson, Mary James, filed a discrimination suit against C & D Foods. She made the allegation that her employer had not promoted her to an outside sales position, which involved significantly more pay because she was a woman. The company quietly resolved dispute, and Mary was given territory in the Birmingham metro area. Within two years Mary James had become a top producer in the company. The company was so pleased with her success that it apparently began to show preference for female applications. Eight female salespeople now work at C & D. Eight of the past ten persons hired have been women. The two new male salespeople were both African American. Mary James was promoted in 1992 to area sales manager in Columbus, Georgia.

This is the background for Tom's current concerns. He wants to become the next sales manager in Birmingham when his friend retires, but he has heard through the grapevine that Barbara Howard, who has been with the company only three years, will probably get the job. It is true she is a good salesperson but not in the same league with Tom Pirkle in sales volume or leadership qualities.

Tom talked with his friend George Montgomery, a management professor at the university, about his predicament. George explained that owners Steve, William and John Wilson were probably so frightened by the 1987 suit that they may have decided to push the affirmative action and equal opportunity program beyond their intent. It is possible that Tom is now in a 'reverse discrimination' situation. However, his chances in litigation would be about zero, according to Dr. Montgomery. He did agree it was an unfortunate turn of events for Tom, who had never been a part of any discrimination or sexist activity. George's parting words to Tom were "You just happen to be in the wrong place at the wrong time."

Tom thought to himself as he walked to his car, "I studied hard in school and took my marketing classes seriously. Since then I have tried to be the best salesman that I could possibly be, and I have worked so hard in my territory and

in the community. This window of opportunity will soon pass, and my chance of promotion will disappear. What can I tell my friends and my family? Where do I go from here?"

**Questions:**

- (i) From the facts available in the case, who would make the best area sales manager, Tom Pirkle or Barbara Howard? Give your reasons for your decision. (07 Marks)
- (ii) Is Tom Pirkle being objective in this matter? (04 Marks)
- (iii) Should performance be measured by other standards? (05 Marks)
- (iv) What else can Tom Pirkle do to get more facts or to resolve his present situation? (06 Marks)
- (v) What risks does the company take if it promotes Barbara Howard over Tom Pirkle? (06 Marks)

**(Total 28 Marks)**

Q2) a) "One must start out as salesperson and gain experience in that area before advancing on to management position". Describe the **responsibilities** at each **level** when a salesperson goes through a **career path** to the top management position.

(06 Marks)

b) You are in the very competitive business of selling office machines. You and one of your salespeople have an appointment with the senior partner of a large medical centre. This potential buyer already had studied several competitive products. Her "hot buttons" are low operating costs and low maintenance. You know that four competitors have demonstrated their products to your prospect. After you have shown her the benefits of your products, she asks you: "Tell me, what makes your machines better than brand X?" You restate some of your obvious product benefits and she comes back with "The salesman with company told me that they use a special kind of toner that is far superior to that you are using for your machine and that it will increase the lifetime of their machine by 20 percent".

You know that this is an obvious lie, so you ask: "What evidence did the sales person give you to prove his claim?" "She shows you a customer testimonial letter that talks about how satisfied they were with their machine, but it says nothing about longer lifetime. You reply carefully "That's the first time I have ever seen a letter praising a brand X machine."

Next, she shows you another piece of paper, a chart that graphically illustrates the operating costs of five different brands. The chart says on the bottom "Marketing Research – Brand X, 2000". It shows your machine with the highest operating costs over a five-year period, and it shows brand X in the leading position with 50 percent lower operating costs. You try to control your temper and think about saying "They always are much better than we are on paper, but when it comes to reality, we outperform them every time."

**Questions:**

- i. Is an ethical conflict occurring here? Why or why not?
- ii. What would you do under this situation when you are having a sales target?

(07 Marks)

- c) Explain the **decision process** of **retail management**.

(05 Marks)

**(Total 18 Marks)**

- Q3)** a) Sales forecasting has two broad categories: the **breakdown** and **build-up approaches**. Compare these two methods and critically evaluate whether they should give sales manager the same final figure?

(05 Marks)

- b) What is a **sales territory** and what may be some of the reasons a firm establishes sales territories and not establishing sales territories?

(05 Marks)

- c) "Several factors can affect the level of success of an **international retail strategy**", list out those factors.

(04 Marks)

- d) Classify the retailers according to the **merchandise** and **services** they sell.

(04 Marks)

**(Total 18 Marks)**

Q4) a) What are the major **activities** involved in planning **sales personnel needs**? Why are they so important?

(06 Marks)

b) Explain the seven important opportunities for retailers to develop **sustainable competitive advantages**.

(06 Marks)

c) An appropriate **leadership style** depends on the situation rather than a prescribed single best style. Identify the **situational leadership styles** and briefly describe them.

(06 Marks)

**(Total 18 Marks)**

Q5) a) The **selection process** consist of a series of steps that increases the information that a sales manager to aid in the decision. What are the **steps** involved in the selection process and state what kind of **information** is usually obtained at the first step?

(07 Marks)

b) What is **sales training** and the **purpose** of it? What are the factors that determine the **best method** of training?

(06 Marks)

c) What is a **marketing cost analysis** and what is it used for?

(05 Marks)

**(Total 18 Marks)**