

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, May 2019**

**Course: Sales & Distribution Management**  
**Program: BBA OG**  
**Course code: MKTG 1001**

**Semester: II**  
**Time: 03 Hours**  
**Max. Marks: 100**

**SECTION A**

(Total 10 marks)

Q.No.	MCQs (Attempt All)	Marks	CO	
1.	Follow up is done to _____. <ul style="list-style-type: none"><li>• Please the customers</li><li>• Get more orders</li><li>• To ensure that the customers gets the best service from the product</li><li>• Fulfill the company requirements</li></ul>	1	1,2	
2	Who is one of the types of sales people? <ul style="list-style-type: none"><li>• Tele callers</li><li>• Direct sellers</li><li>• Retail seller</li><li>• Order Takers</li></ul>	1		
3	Spark a desire for the product - comes in which stage of Personal Selling process? <ul style="list-style-type: none"><li>• Approach</li><li>• Prospecting</li><li>• Closing</li><li>• Making the presentation</li></ul>	1		
4	_____ is a factor that affects choice of Channel. <ul style="list-style-type: none"><li>• Product</li></ul>	1		

	<ul style="list-style-type: none"> <li>• Price</li> <li>• Promotion</li> <li>• Control</li> </ul>		
5	<p>Marketing intermediaries help the manufacturer in all the ways except _____.</p> <ul style="list-style-type: none"> <li>• Financing</li> <li>• Risk taking</li> <li>• Providing information</li> <li>• In designing the channel</li> </ul>	<b>1</b>	
6	<p>Intermediaries play an important role in matching _____.</p> <ul style="list-style-type: none"> <li>• dealer with customer</li> <li>• manufacturer to product</li> <li>• information and promotion</li> <li>• supply and demand</li> </ul>	<b>1</b>	
7	<p>Members of the marketing channel perform many key functions. Which of the following would be among those key functions?</p> <ul style="list-style-type: none"> <li>• negotiation</li> <li>• sensing</li> <li>• producing</li> <li>• creating</li> </ul>	<b>1</b>	
8	<p>Which of the following is NOT part of the sales process?</p> <ul style="list-style-type: none"> <li>• The pre-approach</li> <li>• Planning the sales presentation</li> <li>• Prospecting</li> <li>• Evaluating sales effectiveness</li> </ul>	<b>1</b>	
9	<p>All the following are major logistics functions <u>EXCEPT</u>:</p> <ul style="list-style-type: none"> <li>• Promotion to wholesalers and retailers</li> <li>• Order processing</li> <li>• Inventory management</li> <li>• Transportation</li> </ul>	<b>1</b>	
10	<p>_____ involves examining your markets and determining the roles and activities of sales personnel necessary to service these markets.</p>	<b>1</b>	

	<ul style="list-style-type: none"> <li>• Target marketing</li> <li>• Segmentation planning</li> <li>• Strategic sales force planning</li> <li>• Market forecasting</li> </ul>		
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**SECTION B**

(Total 20 marks)

<b>Q.No.</b>	<b>Short Notes.</b> <b>(Attempt All)</b>	<b>Marks</b>	<b>CO</b>
1	Vertical Marketing System	4	<b>1, 2</b>
2	Role of Corporate Social Responsibility (CSR)	4	
3	Modes of Transportation	4	
4	Importance of Time Management for Sales Personnel	4	
5	Intensive Distribution vs. Extensive Distribution	4	

**SECTION C**

(Total 40 marks)

<b>Q.No.</b>	<b>Descriptive Type Questions</b> <b>(Attempt Any FIVE)</b>	<b>Marks</b>	<b>CO</b>
1.	How do factors like nature of the product, profile of the target market and company resources affect the sales job? Explain by taking the examples of the following selling situations.  i. Selling of a consumer durable product ii. Selling of an industrial product	<b>8</b>	<b>3,4</b>
2	Channel intermediaries are a medium of distribution of various goods and services. They play a vital part in the total marketing plan of a company. Describe the various roles undertaken by the channel intermediaries giving suitable example.	<b>8</b>	

3	“Sales analysis is described as a detailed inspection of a company’s sales data and considered as one of the most effective tools for controlling Salesforce” – Comment and justify with examples.	8	
4	DTDC, a courier company, has always followed the direct marketing route in the business to business segment to increase its customer base. The company is now considering the use of territory management to improve its sales process. Which method would you suggest to DTDC for designing territories? What are the benefits it would get out of territory management?	8	
5	Define the term “Sales Training”. How would you decide training needs of sales people if you are appointed as a Sales Trainer for a petroleum company? Discuss.	8	
6	“Process of Recruitment and Selection of Sales Force is different for Industrial Product Selling and Consumer Products Selling.” Explain the difference.	8	

**SECTION D**

(Total 30 marks)

Q.No.	Case Analysis	Marks	CO
1	<p>Perform the analysis of the following case:</p> <p style="text-align: center;"><b>The Indian Ayurveda Pharmacy Limited</b></p> <p>The Indian Ayurveda Pharmacy Limited is located in Coimbatore, Tamil Nadu. It manufactures and markets ayurvedic products under its own brand name. The company was established in the early 1950s by a well-known ayurvedic physician as a small pharmacy attached to his ayurvedic hospital. The company has witnessed tremendous growth over the past 50 years with sales growing from just thousands of rupees to Rs. 200 million annually. The company has a large portfolio of ayurvedic products which are mostly sold through its network of exclusive retail outlets spread over Kerala, Tamil Nadu, and Karnataka. Presently, there are about 500 retail outlets in these states. The company has always maintained a unique image that blends quality and tradition in a unique way. The old hospital still exists with more extensive and improved facilities. The company has lately entered the cosmetics and personal care segment with some lotions, hair oils, and toilet soaps. Its soap brand <i>Jeevan</i> has become very popular over the last few years. Sales figures have soared to reach a figure of 10,00,000 units in the last quarter. This is a big achievement when one considers the fact that the soap was</p>	30	4, 5

launched just three years back. The soap has a unique fragrance and has numerous loyal users. The soap is sold through large distributors to retail outlets. The company regularly receives enquiries about it from far and wide. The brand is promoted through television and radio and also through wall paintings and billboards. The company feels that given its unique features and the image of a fresh and natural product, the scope for expansion is tremendous. The company wants to venture into new markets. The company's market surveys reveal that its soap is generally preferred by ladies and gents who are either middle-aged or old but not so much by the youth. This is probably because of the ayurvedic features that do not seem to appeal to the younger set as; particularly in the manner it is advertised.

The company has of late noticed that non-resident Indians, especially those belonging to the southern parts of India, buy *Jeevan* soaps in large quantities to take back to their countries of residence. This is probably because they have strong brand loyalty and consider the inherent qualities to be quite attractive in comparison to the brands available abroad. The company is now planning to export its *Jeevan* brand abroad, particularly in the Middle East which has a sizeable population of south Indians. The company has adequate production capacity to meet additional demands for export. All the company now needs to do is to work on its new marketing strategy to reach its target market. Making arrangements for producing the soap abroad is not considered a viable option since it involves high investment and also the regulations abroad necessitate clearances from several agencies. Hence, the company is more or less struck with the export strategy. The company's target population is mostly concentrated in six countries of the Gulf: Kuwait, The United Arab Emirates (UAE), Bahrain, Qatar, Kingdom of Saudi Arabia (KSA), and Sultanate of Oman. Each of these countries has different rules and regulations with regard to exporting goods, as well as different currencies. Out of these the maximum number of people the company wants to target resides in Kuwait, UAE and KSA. It is estimated that the three countries together have an expatriate Indian population of over 2 million to which the products can be targeted. The company expects to sell at least 4,00,000 units annually to begin with, as selling less than 10,000 units will not be a profitable proposition.

After considerable analysis of the alternatives, the company has decided to appoint distributors to sell its products in these countries. The company searched for possible distributors to see which distributor will be more suitable to handle a product like this. Initial enquiries with the embassies of these countries provided a large list of distributors who actively trade with India. These include distributors with high levels of experience in handling trade-related issues and connections with large retailers in these countries. Most of the distributors charge a margin of about 20 to 30 % for

	<p>handling a product like this. Also, the distributors are not willing to pay in advance to the manufacturers. This is because the product is new to the market and it is considered quite risky to handle a product like this. The distributors have decided to take title to the goods and supply to retail outlets on a trial basis. Once there is enough evidence for market acceptance, the supply will be made more regularly. The initial orders will be for small sizes and later when the demand picks up, orders of higher value will be made. Most of the distributors have enough experience in handling such types of products and some of them are even handling competitive brands. The transportation charges are to be borne by the company.</p>		
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(Total 20 marks)

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2	Role of Corporate Social Responsibility (CSR)	<b>4</b>	
3	Importance of Time Management for Sales Personnel	<b>4</b>	
4	Horizontal Marketing System	<b>4</b>	
5	Physical Distribution of the products and services	<b>4</b>	

**SECTION C**  
(Total 40 marks)

<b>Q.No.</b>	<b>Descriptive Type Questions</b> <b>(Attempt Any FIVE)</b>	<b>Marks</b>	<b>CO</b>
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4	“Process of Recruitment and Selection of Sales Force is different for Consumer Products Selling and Industrial Product Selling.” Explain the difference with help of examples.	8	
5	Explain the term “Training” to the Sales Personnel. How would you decide training needs of sales people if you are appointed as a Sales Trainer for a consumer durable company? Discuss.	8	
6	DTDC, a courier company, has always followed the direct marketing route in the business to business segment to increase its customer base. The company is now considering the use of territory management to improve its sales process. Which method would you suggest to DTDC for designing territories? What are the benefits it would get out of territory management?	8	

**SECTION D**

(Total 30 marks)

Q.No.	Case Analysis	Marks	CO
1	<p>Perform the analysis of the following case:</p> <p style="text-align: center;"><b>Siffco Agro chemicals Ltd (SPL)</b></p> <p>Siffco Agro chemicals Ltd (SPL), the US-based pesticide major, is planning to enter the Indian market, which they feel has a lot of potential for expansion. The pesticide use by the Indian farmers is still way below the international standards and the scope for growth is considered to be tremendous. Pesticides consumption in India is estimated to be less than 800 gm per acre against 16 kg per acre in the US.</p> <p>While the production plant for the company is to be set up near Mumbai, the company is pondering over the establishment of a distribution system to cater to the needs of far-flung areas. Most of the existing players have a well-oiled machinery for distributing their products and this is considered to be one of their major strengths.</p>	30	4, 5

Agriculture is the primary activity of the country and the majority of the labour force (more than 65 per cent) is engaged in agriculture and allied activities. While staple foods, such as paddy and wheat, are the major crops of India, there is an increasing trend towards growing cash crops. Most of the existing pesticide companies offer a wide range of products that could be used for a variety of crops. The major challenge for the pesticide companies is to penetrate the village of India where the infrastructure – whether in terms of communication or transport – is very poor or underdeveloped. The distribution network is set up after considerable difficulty.

The number of villages in India is estimated to be in the range of 700,000. Most of the farming activity is of course limited to the villages. Most of the farmers are very price conscious and would prefer products of medium quality but high in durability and effectiveness rather than products of extremely high quality. As far as their requirements about the distribution system are concerned, a preliminary study indicates that they are happy with a medium level but reliable service.

Two aspects are paramount. The farmers would like to buy products in as small a quantity as possible. Pesticides are considered to be a grudge purchase and hence the farmers would buy pesticides only to the minimum level possible. Of course, the farmers would not mind spending large amounts of money if they are threatened with the prospect of massive crop loss through pest infection. In such instances, the purchase of pesticides can be pretty high. The farmers normally expect to get the pesticides in stock.

This is mainly with regard to the far-flung areas where the farmers visit, their nearest *mandi* (market) may be once a week or so to make all the essential purchases. So if the item is not available at the shop during his visit, he will have to come again next week to make the purchase. Also, if the pesticide is available in a shop where other farm-related products are also available, it will be convenient for the farmers. One of the major attractions for the farmers is the availability of reliable information about the pesticides and its use. This is highly valued by the farmers.

Information through mass media is considered inadequate and the agricultural extension officers are not always approachable. Thus, if the farmers could be given advice regarding the use of pesticides, the farmers would have a tendency to stick to that seller. The farmers are actually not very receptive to the idea of spending a bit more time travelling to a distant town if the pesticides are available at a cheaper rate as the total value of pesticide purchase normally would not be substantial enough to save any substantial amount of money from it.

Most of the existing players have a reasonably good presence in the market. The distribution channels that they have established over the years are functioning smoothly and efficiently. The largest player in the market, Rallis's India, has a presence in almost all the rural *tehsils* in the country. Rallis's vast distribution system consists of nine regional offices, 34 area offices, 26 depots, and more than 3,000 distributors, and 30,000 dealers nationwide, and is backed by a strong marketing set-up and an extensive sales force that keeps close contacts with dealers as well as farmers.

This means that there is an outlet in every 10-15 large villages. The company has a combined capacity of approximately 12,500 tons per annum of technical grade pesticide and 10,000 tons of formulations per annum.

Most of the outlets do not limit their business to selling pesticides. However, safety requirements demand a separate storing area for pesticides. To manage these many outlets, the competitors rely on either area sales offices, which are directly under the control of the company, or distributors who buy the product from the regional depots and supply it to the rural outlets. It is very difficult to estimate the cost of distribution. The distributors are given a fixed margin which varies from one manufacturer to the other.

The range is between 5-15 per cent. Similarly, the retailer margins also vary from 5-15 per cent. Almost always, the distributors and the retailers are not given any credit. The custom of giving credit to the farmers is, however, quite prevalent.

1. How should the ideal channel for distributing pesticides be designed?
2. Can Siffco differentiate itself by creating an innovative channel?