

PGDM IB 15-17
Sales & Distribution Management
IB- 309

Trimester – III End-Term Examination: March 2016

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A

- Q1. What steps have been taken by retailers in your area to justify their ongoing presence in the distribution channel?
- Q2. Why are the service better and sales people more knowledgeable at an exclusive distribution location versus an intensive distribution location?
- Q3. How has personal selling been impacted by technological advances especially online sales training and sales automation system?
- Q4. What forecasting method would you suggest for the following and why?
- a) A kitchen appliance to be newly introduced in the Indian market.
 - b) A fitness machine targeted at the urban middle class.

Q5. What alternate sales force compensation would you recommend for the sales force of :

- a) A pharmaceutical company
- b) Plastic gift items
- c) Microwave ovens.

Section B

Q6. On the basis of the table below compute the three salesperson's orders to sales call ratios and average size of the order for the year. Why might the tree sales person's performance differ?

Territory	Salesperson	No. of calls	No. of orders	Actual sales
A	Raja	1400	350	600,000
B	Anil	1600	800	700,000
C	Sailesh	1800	700	1200,000

Q7. "Regional promotions often create problems for the marketers". Comment and substantiate with examples.

Q8. A company selling high fashion garments is adding to its product line 'designer watches'. Would it be possible for it to continue with the same channels as being used for its earlier product line? Explain with reasons.

Section C

Read the case on 'Channel Management' and answer the questions at the end. All questions carry equal marks.

Channel Management At Maxwell

The President of Maxwell Corporation is considering whether the company should set up its own distribution system or whether it should outsource the entire distribution and logistics function to a third party service provider. The company has set up a manufacturing plant at Vizag where wide range of orthopaedic equipments, viz., crutches, wheel chairs, walkers, back braces, heating pads, elastic bandages, canes, knee braces, shoulder braces and so forth are manufactured. Presently, the finished goods warehouse is located at Vizag itself and the products are sent to all major towns in India as a point-to-point dispatch. The company is supplying these equipments directly to retail stores at all these locations. Marketing activity is headed by a general manager-marketing based at Vishakapatnam who is supported by a sales team comprising of sales officers. The company is not resorting to advertisements and publicity though the products of the company are fairly well known. But, it is felt that all the customers want quick response to their orders as the products are catered to emergency patients. However these retail outlets carry only very limited inventories. This is due to the fact that most of the products come in a variety of styles, shapes and sizes and the requirement is more customer driven and keeping even a moderate inventory of all types is economically not viable and leads to development of dead stocks in the long run. The company is looking at various options which include.

1. Setting up of a hub and spoke type of a distribution network wherein it proposes to set up a stock point or mother warehouse in each zone, —East, West, North and South — and respective retail outlets which are to be fed from the mother warehouse located in that zone.
2. Setting up of a central warehouse anywhere in central India and feeding retail outlets from this location.
3. Changing the distribution channel from the present numerous retail outlet system to a more efficient system.
4. Outsourcing the entire distribution and logistics to a third party wherein the entire activity of transportation and distribution till the ultimate retail outlet will be taken care of by this service provider so that the company can focus more on activities related to marketing and sales.

1. Out of the given options, which should Maxwell Corporation follow for maximum benefit and why?
2. What should be the distribution channel for Maxwell and what advantages would having such a type of a set-up have?
3. What type of a marketing and sales set-up would you recommend for Maxwell Corporation?

For successful sales of products and services it is desirable to be associated with a good distribution channel.

The company should first study the methods of selling prevalent in the market and then select a channel.