



NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT

QUALIFICATION: BACHELOR OF MARKETING	
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COURSE CODE: SOT612S	COURSE NAME: SALES AND OPERATIONS MANAGEMENT
SESSION: NOVEMBER 2024	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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MODERATOR:	PROF. M. CHUFAMA
INSTRUCTIONS	
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Use the tables provided on [page 9 & 10] to answer Section A, Question One (1) AND Question Two (2) respectively; Detach and insert it into your answer booklet.	

THIS QUESTION PAPER CONSISTS OF 10 PAGES (Including this front page)

SECTION A

[Total 40 Marks]

Question 1

Multiple choice questions

Choose the correct answer and use the table provided on [page 9] by ticking the correct option [X or √] to answer these questions, detach and insert it into your answer booklet. 1 mark will be awarded for each correct answer.

[20 x 1 = 20 Marks]

1.1 A sales territory is:

- A. The sales potential in a geographic region.
- B. The geographical pattern followed by sales reps when calling on their accounts.
- C. A sales performance goal.
- D. A number of customers located within a given geographical area and assigned to a salesperson.
- E. A Metropolitan Statistical Area.

1.2 Which of the following is an incorrect statement regarding the new dimensions of sales management and personal selling?

- A. There is a significant increase in the number of women going into industrial selling.
- B. Customers are becoming increasingly demanding.
- C. Territorial profit responsibility is moving from the salesperson to top management.
- D. Computer technology has a considerable impact on many areas of sales force management.
- E. All of these are correct.

1.3 All of the following are reasons for establishing sales territories, except:

- A. It reduces the number of salespeople needed.
- B. Helps to improve customer relations.
- C. Management can better evaluate sales force performance.
- D. Increases sales force effectiveness.
- E. Improves sales force morale.

1.4 In the sales orientation stage,

- A. the marketing concept emerged for the first time.
- B. most firms could not meet demand for their products.
- C. the buyer and seller commit to do business with each other over a long time.
- D. salespeople acquired a bad reputation.
- E. All of these.

1.5 Changes in which of the following may have an impact on sales forecasts:

- A. Price structure.
- B. Distribution channels.
- C. Promotional plans.
- D. Product design.
- E. All of these.

1.6 The controlling factor in all budgeting and operational planning in a company is the:

- A. Sales potential.
- B. Sales quota.
- C. Market potential.
- D. Sales forecast.
- E. Market share.

1.7 The sales manager generally reaps the largest possible gain by working with the _____ segments of the organization.

- A. oldest
- B. biggest
- C. weakest
- D. strongest
- E. fastest.

1.8 When a company specializes its sales force by type of customer:

- A. There is no opportunity for geographical specialization.
- B. This is likely to increase the friction between channels of distribution used by a firm.
- C. Technical staff specialists cannot be used.
- D. This is compatible with the customer-orientation philosophy underlying the marketing concept.
- E. Overlapping territories usually are eliminated.

1.9 Finding the best combination of sales force motivators is least likely to be affected by:

- A. The role conflict in the sales job.
- B. The rep's self-concept.
- C. Role ambiguity in the job.
- D. The mental and physical demands of the job.
- E. Who conducts the indoctrination training program.

1.10 When put together, a sales volume analysis and a marketing cost analysis constitute:

- A. A marketing profitability analysis.
- B. A detailed study of the unit sales volume by product line.
- C. An examination of marketing expenses associated with each marketing unit.
- D. A sales management audit.
- E. A marketing audit.

1.11 Which of the following methods of sales forecasting is least dependent on historical data?

- A. Test marketing.
- B. Trend analysis.
- C. Correlation analysis.
- D. Direct derivation.
- E. Analysis of past sales.

1.12 The evaluation activity takes on a fuller, richer meaning if we think of this activity in terms of the evaluation and _____ of individual salespeople.

- A. Reorganizing.
- B. Criticizing.
- C. Development.
- D. Selection.
- E. Compensation.

1.13 One drawback to the expense control plan where the salespeople pay their own expenses is that:

- A. The sales reps do not like it.
- B. It cannot be used when salespeople are in a training program.
- C. It cannot be used when a sales rep is developing a new territory.
- D. It discourages reps from performing nonselling activities.
- E. None of these is an inherent drawback.

1.14 Which of the following is least likely to be an objective of a sales force performance evaluation?

- A. To increase sales quotas assigned to the sales force.
- B. To raise sales force morale.
- C. To aid in sales supervision activities.
- D. To help salespeople discover their own strengths and weaknesses.
- E. To help in determining pay increases for salespeople.

1.15 An advantage of using the executive-opinion method of sales forecasting is that:

- A. The salespeople are closest to the market situation.
- B. It can be done quickly and easily.
- C. It is highly accurate.
- D. It is subject to statistical measures of validity.
- E. None of these.

1.16 The personal characteristic of initiative implies:

- A. The leaders must believe in themselves.
- B. The leaders are independent, self starters.
- C. The leaders have high energy levels.
- D. The leaders exhibit creativity.
- E. All of these.

1.17 A company's _____ is the share of the market potential that this firm can expect to achieve. (We assume that the product market and time period have been stated.)

- A. Sales forecast.
- B. Sales quota.
- C. Sales potential.
- D. Marketing goal.
- E. Market index.

1.18 In our company the figure for total sales is quite satisfactory, but it does not show that sales are declining in a certain product line or territory. This situation:

- A. Is an example of the 80-20 principle.
- B. Indicates a well-managed company.
- C. Tells us that we did a poor job of sales forecasting.
- D. Illustrates the need for detailed sales information.
- E. Suggests that we drop that product or territory.

1.19 Regarding the interpretation of quantitative data in a performance evaluation:

- A. Similar data (order size, call rate, sales, etc.) gathered from the different territories may not be comparable.
- B. Gross margin is a poor indicator of performance, especially if the company sells many products with quite different margins.
- C. Market share performance is an exact basis for comparing several sales reps.
- D. It is better to have a high average order size than to get a large number of orders.
- E. A high batting average (orders - calls) is a good indicator of a well-balanced sales job.

1.20. Which of the following factors is likely to contribute the least to your leadership ability?

- A. You own the company.
- B. People have confidence in you.
- C. You are creative.
- D. You have a high level of social skills.
- E. You have a high energy level.

Question 2

True or False Questions

Use the table provided on [page 10] by ticking the correct option [X or √] to answer these questions, detach and insert it into your answer booklet. 1 mark will be awarded for each correct answer.

[20 x 1 = 20 Marks]

- 2.1 An ideal sales compensation plan will not provide a maximum of incentive and security for the sales force.
- 2.2 If a company is a new high-risk venture, then its compensation should have a very low percentage of at-risk income to compensate for the company's level of risk.
- 2.3 The buildup method for determining basic territories is particularly suited for manufacturers of consumer products or for companies that want intensive distribution.
- 2.4 The components of the firm's marketing mix are largely under the control of management.
- 2.5 A company's sales territories typically are smaller in new markets than in areas where the firm is well entrenched.
- 2.6 Experts recommend that the incentive reward for outstanding performance should be twice the average incentive payout.

- 2.7 A sales volume analysis ordinarily cannot be done without being accompanied by a marketing cost analysis.
- 2.8 A sales volume analysis plus a marketing cost analysis constitute a marketing profitability analysis.
- 2.9 A decline in a firm's sales volume indicates that competition is getting a larger share of the market.
- 2.10 A company does not need to make a detailed sales volume analysis if its sales have been increasing over the past several years.
- 2.11 A reward structure should link greater rewards with higher performance.
- 2.12 A salesperson should be evaluated only on factors over which he or she has control.
- 2.13 It can be difficult to compare the performances of sales reps selling in large metropolitan areas with those people selling in rural territories.
- 2.14 Productivity is the ratio of input to output.
- 2.15. The easiest and least expensive form of specific motivation refers to a sales contest.
- 2.16. In a sales contest, cash prizes are usually the most effective.
- 2.17. Sales managers in organizations with outcome-based control generally engage in heavy doses of both transactional and transformational leadership.
- 2.18. In order for the Motivation-Hygiene Theory to work, motivational factors must be satisfied before hygiene factors.
- 2.19 A low average order might indicate that the sales rep needs more training on product knowledge and building up the order.
- 2.20. Individualized support is a leader behavior that is more likely to be exhibited by sales managers from a behavior-based control system (as opposed to outcome-based).

SECTION B

[Total 60 Marks]

Question 3

3.1 In his Hierarchy of Needs Theory, Mr. Abraham H. Maslow proposed five levels (as can be seen in Figure 1 on page 7) of needs that every individual seeks to satisfy. From a Sales Manager's perspective, what managerial actions or rewards can s/he use that can help satisfy these specific needs at each level as seen in Figure 1.

Discuss how these five needs can be fulfilled with specific aspects/attributes/elements (10 marks)
and the accompanying Sales Manager's actions to satisfy these needs with specific Business examples. (10 marks)

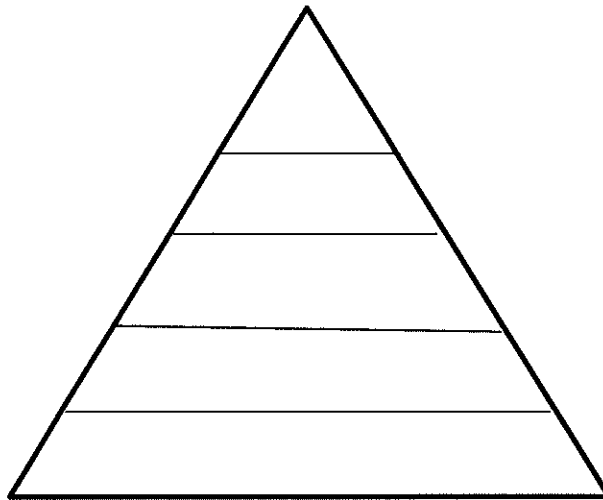


Figure 1: Maslow's Hierarchy of Needs

(20 marks)

3.2 The choice of an organizational structure is influenced by factors such as:

- a. size of the company.
- b. nature of the products.
- c. nature and density of the market.
- d. ability of the executives.
- e. financial condition of the company.

Explain how each of these conditions may affect the choice of structure.

(10 marks)

3.3 Today's professional sales representative is a marketing consultant and a manager of a market in his or her territory. Explain how a sales representative can be a marketing consultant and a manager. **(5 marks)** for being a marketing consultant and a manager and **(5 marks)** for specific B2B selling examples to support these statements. **(10 marks)**

Question 4 - Case Study - SEAL RITE ENVELOPE COMPANY, INC.

(20 marks)

Evaluation of Telemarketing Reps

Rose Douglas, the sales manager of Seal Rite Envelope Company, was given permission to begin a telemarketing program to lower the costs of covering smaller customers. The company was spending too much money on a large number of small accounts while not giving enough attention to the highly profitable large customers. The company classified its customers into four categories: printers, paper wholesalers, companies buying envelopes for routine mailing purposes, and companies buying envelopes for sales promotional purposes.

To increase the coverage of larger customers in the last category and make fewer calls on smaller firms in other categories, Douglas had been given permission to develop a telemarketing group to handle both outbound and inbound sales programs. She had hired six people who were being trained by a telemarketing consultant experienced in such programs. Initially, three of the telephone salespeople would be assigned to handle inbound calls from customers on the company's 800 number line. The outbound sales calls would be to customers with frequent needs for envelopes and to smaller customers with infrequent needs.

Douglas was trying to figure out how she would evaluate these new telephone sales reps. She wondered whether all the reps could be evaluated as a group with no distinction between the inbound and outbound telemarketers or if she had to evaluate the three inbound people against each other and do the same with the outbound sales reps. Her boss, Max Chernak, had asked for a complete report on the telemarketing program when Douglas finalized her plans for it.

At the company's Christmas party, Rose Douglas had an opportunity to talk with Steve Hunter, the firm's top sales rep, about the telemarketing program that was soon to be online. They spent some time talking about different bases on which the new people could be evaluated, such as time on the telephone, calls attempted, calls completed, orders taken, size of orders, total volume, and errors made. Douglas was somewhat bothered by the controller's emphasis on making many short calls and was more concerned with what she called meaningful calls, that is, that the person talks long enough to the customer to get the job done.

Howie Masters, a foreman in the cutting room, strolled up to Rose Douglas to make idle conversation. She told him about the telemarketing program being developed and asked if it would be difficult to record each telephone call so we can tell how the reps are doing and help them improve. Douglas quickly responded that all sorts of equipment are available to do the job. She wondered if there would be any problems with recording the calls and speculated that there had to be some way around any legal or ethical problems involved with recording the calls.

Suddenly, Douglas became somewhat angry with herself, thinking that she was spending too much time contemplating relatively minor matters when she was not certain what she wanted to measure. She admonished herself to focus more on the content of the evaluation program and less on its format. As she drove home from the party, she put together everything she wanted to put in her report to Max Chernak the next day.

Questions:

- 4.1 How often should the telemarketers be evaluated? Why? (5 marks)
- 4. 2 Should the calls be recorded? Why or Why not? (5 marks)
- 4.3 On what bases should the telemarketers be evaluated? (5 marks)
- 4.4 Should the telemarketers be evaluated against the field sales reps? Against each other? (5 marks)

Grand Total 100 marks

THE END

SECTION A: ANSWER SHEET - Question 1

Tick [X or ✓]

[Total 20 Marks]

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
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1.20					

Student Name, Surname and Student Number

Question 2

Tick [X or √]

[Total 20 Marks]

	<u>True</u>	<u>False</u>
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Student Name, Surname and Student Number