

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

MASTER OF SCIENCE OF SCIENCE

PROFESSIONAL SELLING MANAGEMENT - CBU 5206

SUPPLEMENTARY EXAMINATION- MARCH 2013

TIME ALLOWED: 3 HOURS 15 MINUTES

INSTRUCTIONS TO CANDIDATES

Answer question **One** and any other **Three** questions from Section B

INFORMATION TO CANDIDATES

- (i) Section A carries **40** marks.
- (ii) All questions in Section B carry **20** marks each.
- (iii) Questions may be answered in any order.
- (iv) Credit will be given for the use of appropriate examples.
- (v) This paper contains **Seven** Questions.

SECTION A

Question 1

CASE STUDY: Microcom

When the buyer moves on does the relationship end?

Relationship marketing plays a significant role in modern sales management. Companies have for sometime realised the benefits of practicing a relational approach to selling rather than a transactional one. Nevertheless, many markets are volatile or else have long product life-cycles, which make the practice of relationship selling challenging.

Microcom is a UK firm supplying high-quality broadcasting equipment used by national networks such as the BBC, ITV and their equivalents abroad. The product is chiefly

customised to customers' specific requirements and has a 10-15 year lifespan. Senior management are troubled by the fact that at present the firm practices a largely transactional approach to selling. They are keen to adopt a relational selling approach, but are uncertain how this might be achieved. The Marketing Director has explained the meaning of relationship marketing and stressed that a relationship is between people. One of the problems Microcom have in this respect is that when a company they have previously sold to required new equipment the original buyer has often left to go to another job, been promoted away from the buying function, retired, or in some circumstances may even have died.

Although the company is keen to adopt a relational selling approach, another major reservation is the long time between repurchases. One senior manager expressed this issue as follows:

Relationship marketing cannot work because you can guarantee the places we sold to this year won't be in the market to buy again for 15-20 years.

Typically Microcom will design and install the equipment (a process that can last anywhere between two months for small projects and up to three years for larger ones) and will then maintain contact with the customer for a time afterwards to ensure that the system is effective. These systems typically last for anywhere between 15 and 20 years before they must be replaced. There are generally a number of small orders that may crop up in the interim, but Microcom often does not bother with such minor orders as it typically needs a minimum of £20 million worth of business a year, which means that it usually only bids for the large orders. At present, however, Microcom has a poor retention record, with a rate of around 30 per cent, despite the fact that customers claim to be highly satisfied with the equipment and level of service provided by the firm.

Source: Written by Andrew Pressey, Lecturer in Marketing, University of East Anglia and Neville Hunt, lecturer in marketing, University of Luton.

Required:-

- a) You have recently been hired as Sales consultant for Microcom and management have asked you for input into a future selling strategy. How would you advise senior management on the appropriateness of adopting a relational approach to selling by Microcom? **[20 Marks]**
- b) What have been the key drivers of relationship selling in Professional sales management and how has that impacted the selling function? **[20 Marks]**

SECTION B

Question 2

Discuss the importance of personal selling in strategic marketing management and explain how the sales function can be viewed as a transaction of value to and from the market place/customer.

[20 Marks]

Question 3

'The absence of formal sales education and training and lack of authority are the major reasons for relatively low occupational prestige of salesmen'. Is this statement still relevant today? Why?

[20 Marks]

Question 4

Evaluate the importance of Customer Relationships Management (CRM) in the management of Key Accounts (KA) and show how CRM can lead to improved profitability for both the customer and the selling company.

[20 Marks]

Question 5

Write notes on the following:

- (a) SPIN Selling Theory (Model) **[5 Marks]**
- (b) Missionary Sales people **[5 Marks]**
- (c) Direct marketing **[5 Marks]**
- (d) Database marketing **[5 Marks]**

Question 6

Explore ways in which the Internet has affected selling and sales management practices.

[20 Marks]

Question 7

You have recently been appointed a Sales Director of a company selling tyres to motor car manufactures. Sales are declining and you believe that a major factor causing this decline is a lack of motivation among your sales force. At present they are paid a straight salary, based on one's length of service. Describe how you would approach and solve this problem.

[20 Marks]

END OF EXAMINATION