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Roll No.

MB-201(M1)

M. B. A. (SECOND SEMESTER)

END SEMESTER

EXAMINATION, June, 2023

**SALES FORCE AND CHANNEL
MANAGEMENT**

Time : Three Hours

Maximum Marks : 100

Note : (i) This question paper contains two
Sections—Section A and Section B.

(ii) Both Sections are compulsory.

(iii) Answer any *two* sub-questions among
(a), (b) and (c) in each main question
of Section A. Each sub-question
carries 10 marks.

(iv) Section B consisting of case study is
compulsory. Section B is of 20 marks.

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Section—A

1. (a) Describe various steps followed in Sales Process. (CO1)
- (b) Explain the nature and role of Sales Management. (CO1)
- (c) What is Relationship Strategy in Sales ? Use suitable examples to explain. (CO1)
2. (a) Describe Build Up and Break Down methods of Designing Sales Territories. (CO2)
- (b) Explain different types of Sales Quotas with the help of suitable examples. (CO2)
- (c) "Distribution as one of the elements of Marketing Mix helps in achieving Time, Place, Quantity and Possession Utility." Comment. (CO2)
3. (a) 'Keyword in Sales Territory is Customer and not Geography.' Discuss whether this statement is relevant in ever-increasing e-Commerce context. (CO3)

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- (b) Differentiate between Hard Sales and Soft Sales Strategy. Give suitable examples. (CO3)
- (c) Compare different methods of Presentation used in Sales Process. (CO3)
4. (a) Select a type of Distribution for promoting 'Hand Sanitizer' an FMCG product in market. Refer to the types of Distribution based on Distribution intensity or Strategy. (CO4)
- (b) Critique the steps of designing distribution channel strategy. (CO4)
- (c) Examine the five types of channel flows in present physical distribution system context. (CO4)

Section—B

5. Case Study :
BMW : Marketing Subsidiaries In Foreign Markets

BMW is a German manufacturer of high-quality motor cars. About half of its sales are in the German market, with the other half from

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exports. In reappraising its markets and distribution strategy both in Germany and abroad, the company believed that its multiple layers of distribution were causing inefficiencies in its marketing efforts.

BMW Germany

Originally, BMW had a dual distribution system in Germany. It employed a strong wholesaler system along with direct distribution by BMW to large dealers. This system seemed to work effectively because BMW's market share in Germany doubled in 10 years. However, the company found share competitive distortions with this dual approach. For example, the wholesalers that received the same commission for wholesale transactions as for retail sales had gone into direct competition with retailers. The larger direct dealers sometimes sold more than the wholesalers but received the smaller dealer discount. The problems arising from BMW's distribution strategy caused the company to abolish its German wholesaler network. BMW

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expanded its direct dealer system to replace the business formerly handled by the wholesalers.

BMW Abroad

The company was planning to initiate a more direct selling method in its foreign markets as well as at home. It realized the need for care in order not to disturb existing import channels. However, the company believed that it was desirable to replace the present independent importers in foreign markets with company-owned marketing subsidiaries. The independent importers buy the cars from Germany and then resell to accredited dealers—who sell them to the public. In moving to company-owned marketing subsidiaries, BMW was following the international marketing approach of Volkswagen and Daimler-Benz (with Mercedes). One of the major arguments presented for going direct was that BMW could save the 15 percent commission the company paid to its importer distributors in foreign markets.

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France

In line with its new policy of more direct distribution in foreign markets, BMW formed its first marketing subsidiary in France. BMW Import SA replaced the former independent French importer (which had been called BMW France but now was renamed SFAM France). SFAM France continued to sell BMW cars to consumers through its retail outlets in Paris and in the provinces. Sales to dealers henceforth were made only by BMW Import SA, the company's wholly owned marketing subsidiary. This seemed to be successful in France.

United States

In implementing its new direct marketing approach in the U.S. market, BMW faced two alternatives. It could either take-over its present U.S. importer-distributor or establish a new and separate BMW marketing subsidiary

as in France. The company wondered which of these alternatives would be best for the important U.S. market, BMW had about 250 dealers in the United States.

Questions :

- (a) Do you see any disadvantage for BMW in going to direct distribution in foreign markets? (CO5)
- (b) What advantages might the company realize by operating through its own marketing subsidiaries? (CO5)