1.CASE STUDY

Irregular Supplies

It was the early 1930s, when a physician-turned textile trader in rural Karnataka found his business getting interrupted for want of regular supplies of cloth from the weavers. When he enquired with the weavers about the reason for their irregularity, he was told that there was no working capital available to them. There were no banks in the area. The one located in the town was not interested in lending to small operators particularly in the rural area. Local moneylenders used to charge very high rates of interest; borrowing at those rates had ruined some weavers in the past. The weavers therefore have developed a habit of working intermittently as and when their own money from sales came in.

The trader, therefore, had to find a way to ensure uninterrupted supply of goods in his shop, without which his own business was not viable. He thought of bringing the goods from Bombay, but found that the process would be very expensive and time-consuming, as the area did not have any direct road/rail links with Bombay. Besides, the transporters were not at all reliable.

Question

Examine the courses of action available to the trader under the above circumstances. What are your recommendations?

2.CASE STUDY

Personal Selling

Arun Lal, a sales representative of a progressive company was doing brisk business by cold calling. He would randomly pick any building and start chatting with secretaries collecting information which provided him with valuable names and designations which made his calls less cold.

Arun Lal would make around 30 calls per day which includes about 4 presentations. He has been a salesman for over 15 years and has made about 15000 calls in his career. His secret of success in cold calling was alertness and fast thinking. He would assure that every prospect was a decision maker and could give him business.

In contrast to this, Madan Mohan working for a telemarketing company would make unsolicited telephone calls with potential customers. He would use various marketing tactics to persuade these customers to buy or at least be interested in the product. If calls seemed interested they were transferred to another section of employees as qualifiers.

These qualifiers evaluated the prospect's investment objectives, willingness to accept following calls and financial ability.

A set of 20 telemarketers made about 9000 initial contacts and opened about 35 accounts in a 4 day period.

The Government has passed a regulation and put restrictions on unsolicited telephone calls to customers. This was done on the instance of many complaints received from customers who did not want to receive telemarketing calls and are critical about this procedure.

Auto dialing by computers to hospitals and other institutions were a great distraction as these organisations needed open lines. Some rule makers are also of the opinion that unsolicited sales calls be banned where the caller has to sort the bill in case of phones, others want to ban calls at homes.

Cold calling is often unpopular but it can be effective if there is some benefit to the customer in case of information about some schemes or discounts.

Arun Lal is trying to get sales by dynamic personal selling which requires positive bent of mind. In case of Madan Mohan the focus is organised modern technology. Both sales person are for the time being engaged in cold calling, showing that cold calling is very much alive at the moment.

Questions

1. Compare and contrast cold calling between the 2 salesmen.
2. Which of the two companies is going to be affected by new rules?
3. Which of the patterns of cold calling would you prefer?