



## EXAMINER'S REPORT

AUGUST 2000

### MANAGEMENT OF SALES AND CUSTOMER SERVICE

#### General Comments

Nearly 60% of those sitting this examination passed.

Students continued to reveal two important weaknesses in their knowledge. Firstly, an inability to apply the theory to practical situations, particularly in relation to the application of motivational theory. Secondly, many students failed to use practical examples to support the theory discussed, e.g., in Question 8 on Customer Care.

#### Question 1

This was the third most popular question answered. Most answers were good – covering the roles of the Sales Manager (usually with a supporting figure illustrating the roles), how these tasks are divided into strategic, tactical and operational areas and why, and what proportion of time should be spent on each.

#### Question 2

This question opened up an important debate in Sales Management: the role of different types of selling approaches in the selling mix, i.e., the role of telesales and direct mail vis-à-vis personal selling. It was the fourth most popular question. The answer should have covered the role of personal selling, explanation of direct mail and telesales; how they work and where they work best (actual real examples from the students' experiences), and their fit in business today. Students found this to be a difficult question; marks were not high generally.

#### Question 3

This was the fourth most popular question. Most students had a good understanding of the broad approach to forecasting, but were less sure on quantitative forecasting. Some students did not fully understand the purpose of forecasting. A good answer would have included: what a forecast is, its purpose, the difference between qualitative and quantitative forecasts and examples of quantitative forecasting approaches.

#### Question 4

This was the least popular question and most students achieved good marks. A comprehensive answer would have included: what influences a sales structure, an explanation of the different types of sales structures, and which is best for the four different types of businesses listed. – the Car Hire business: geographic; Financial loan business: by client (with telesales for retail clients); Specialised machinery manufacturer: by product

specialisation; DIY product distributor: key account managers and telesales. Reasoned argument was accepted for alternative suggestions.

### **Question 5**

This was the second most popular question. Generally it was not answered well, although most students received a pass mark. It was a partly descriptive and partly discussion question and the discussion marks were based on logical argument. The descriptive elements were straightforward and most students described them well. The discussion should have covered the following issues: the application of the two theories to current salesperson motivation, their shortfalls and their alternatives, and some practical examples to support the points being made.

### **Question 6**

This was a popular question and the answers were either good or poor. The answer should have included a description of leadership, the four leadership theories, types of leadership styles and the implications for Sales Management.

### **Question 7**

This was the second least popular question and it was not well answered. A good answer would have covered what is remuneration, what are the factors that make a good remuneration system, the different components of the traditional remuneration package of sales people, the pressures on companies seeking good sales people today and particularly software sales people, and new ways of retaining very high quality sales people.

### **Question 8**

This was the most popular question. Marks were good and ranged from about 8-12. Students understood the importance of good customer service, the costs of retaining customers compared to seeking new customers, good descriptions of management approaches as to how to achieve good practice (with figures illustrating the approach) and how to listen to your customers. Few got all these points. Main weaknesses were in failing to mention lifetime value of customers and to give practical examples.