



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

SALES MANAGEMENT N5

2 JUNE 2016

This marking guideline consists of 10 pages.

SECTION A**QUESTION 1**

1.1	1.1.1	C		
	1.1.2	A		
	1.1.3	D		
	1.1.4	B		
	1.1.5	A		
	1.1.6	C		
	1.1.7	D		
	1.1.8	B		
	1.1.9	A		
	1.1.10	C		
			(10 x 2)	(20)
1.2	1.2.1	True		
	1.2.2	False		
	1.2.3	False		
	1.2.4	False		
	1.2.5	True		
	1.2.6	True		
	1.2.7	True		
	1.2.8	False		
	1.2.9	True		
	1.2.10	False		
			(10 x 2)	(20)
1.3	Sales forecast is an estimate [√] of sales in Rands or units [√] that an individual business expects to achieve during a specified time period [√] , in a stated market [√] and under a proposed marketing plan [√] .		(5 x 1)	(5)
1.4	<ul style="list-style-type: none"> • Experience gained in practice • Training programmes • Internet • Mentor • Local chamber of commerce • Sales manuals, portfolios and brochures • Sales meetings • Educational institutions • Customers • Trade shows • Other salespeople 		(Any 5 x 1)	(5)
				[50]
TOTAL SECTION A:				50

SECTION B**QUESTION 2**

- 2.1 Endless-chain technique√√
- This technique consists mainly of satisfied customers, who are willing to provide the salesperson with names of likely prospects.√
 - The customer will recommend the names of people whom they think will also benefit from the company's products or service.√
 - For example, a price increase could possibly reduce unit sales volume.

Influence centres√√

- Is usually a person, public figure or an organisation who has gained the honour and respect and admiration of the community, business and industry, whom others look up to.√
- For example, actors and actresses, sports personalities etc.√

Personal contact and observation√√

- Social contact with friends, neighbours, fellow club members, church members and business acquaintances are good prospects if they need the salesperson's product or service.√
- The 'eye and ear' approach used by an alert salesperson√

Business leads√√

- Before searching for leads outside the company, a salesperson should first investigate all possibilities inside the company.√
- For example, a salesperson can contact the company's credit department for inactive accounts or salespeople within the company selling different product lines for example a new car salesperson can refer clients who don't qualify to buy a new to used car salesperson.√

Spotters√√

- Are people whose responsibility is to locate prospect and report them to salespeople.√
- They are usually rewarded for their duties, if the prospects buy the product or service offered.√

Social media

- Today people disclose information about their lives in social media, such as facebook, twitter, instergram, whatsapp, such as promotion at work, new house bought, arrival of a baby, et cetera.
- A salesperson should always be on the lookout for such information and follow through.

Publications, newspapers and trade journals

- An alert salesperson can pick up useful leads by regularly checking newspapers for birth notices, engagements and news about people recently promoted or by reading the social and financial columns.

(Any 5 x 4) (20)

NOTE: A car salesperson can't use direct prospecting or telephone prospecting

- 2.2
- The number of calls to be made each day by the salesperson
 - The call frequency on each class of customer
 - The distance to each customer
 - The mode of transportation to be used
- (4 x 2) (8)
- 2.3
- Ensure proper market coverage
 - Workload equalisation
 - Increases salespeople's morale
 - Better evaluation and control over sales force
 - Better analysis and planning of sales activities
 - Sales are improved
 - Improves/Strengthens customer relations
 - Reducing selling costs
 - Better co-ordination between selling and other marketing activities
- (Any 6 x 2) (12)
- 2.4
- Cognitive dissonance refers to the distress that an individual experiences, when confronted with extra information that is in conflict with his/her current ideas or values.
 - For example, when a customer believes that 'second-hand cars' are problematic and a second-hand car salesperson tries to sell them that car. for example; a fear that they might make a poor decision of buying a second-hand car.
- (2 x 2) (4)
- 2.5
- Members stay anonymous.
 - Independent judgements are reached by all individuals.
 - It is more scientific and systematic.
 - It minimises the effects of group dynamics.
 - It is based on opinions of experts from different fields.
- (3 x 2) (6)
- [50]**

QUESTION 3

- 3.1 3.1.1 Sales volume quotas in currency value
- Used by companies selling broad product lines where it is difficult to evaluate sales performance for individual products.
 - They are easily understood by salespeople ✓
 - They are easier for sales manager to manage.
- Unit sales volume quotas
- Used by companies selling narrow product lines at stable prices.
 - Used when prices fluctuate.
 - Used when a company sell expensive products
- Point sales volume quotas
- It used to prevent salespeople from concentrating on only few products which are easy to sell.
 - Management classify products in groups according to relative profitability.
 - Individual point volume quotas are set for each category and bonus points can be achieved by reaching these quotas.
- (2 marks for heading; 2 marks for 2 facts) (3 x 4) (12)
- 3.1.2 Sales volume quotas derived from territorial sales potential
- This method is used by large companies which have the financial resources, staff and research data at their disposal to determine the market and sales potential of each individual sales territory.
 - Sales managers set sales volume quotas by calculating the percentage relationship between each territorial sales potential and total sales potential. ✓
- Sales volume quotas derived from total market estimates
- The management break down the total business sales estimates and then make adjustments to arrive at territorial sales volume quotas.
 - The management convert the business sales estimate into sales quota for the country by taking into account expected change in price, product, promotion etc.
- Sales volume quotas based on past sales experience
- Businesses take the previous year's sales for each territory and add a certain percentage and use the results as the sales volume quota.
 - The business assumes that past and future sales are related.
 - The disadvantage of this method is that it ignores the sales potential of a particular territory, which the result that the quota may be either too high or too low.

Sales volume quotas based on executive judgement alone

- This method is used when there is little information available to use in setting quotas. ✓
- In these situations, sales managers on their past experience and 'gut feel' when they set sales quotas.

Sales volume quotas related only to compensation plan ✓

- In this method sales volume quotas are solely based on amounts of compensation management believes sales personnel should receive.
- No consideration is given to territorial sales potentials, total market estimates and past sales experience and quotas are determined just to fit the sales compensation plan.

Letting sales personnel set their own sales volume quotas

- Management let the salespeople set their own quotas since they know the territory better than anyone.
- Salespeople will set realistic goals and they will be motivated to work hard and they will complain less, since they are one's responsible for the quotas.

(2 marks for heading; 2 marks for 2 facts) (6 x 4) (24)

- 3.2
- Users
 - Initiators
 - Influencers
 - Final decision-makers
 - Buyers
 - Gatekeepers
- (6 x 2) (12)

- 3.3 Itch cycle is a consistent pattern of purchase behaviour of a customer, ✓ for example, a customer trades-in their old model car once a new model is introduced. ✓

(2)
[50]

QUESTION 4

- 4.1
- To enlarge the market share
 - To qualify sales leads
 - To decrease sales costs
 - To support sales in the field
 - To manage smaller accounts customers more profitably√
 - To take orders by e-mail
 - To improve customer service
 - To segment the market
 - To increase advertising effectiveness
 - To increase potential
 - To build a database
 - To train sales staff
- (Any 6 x 2) (12)
- 4.2 Money and price objections√√
- Lower the price if it is within his/her power to do so√, arrange credit facilities for the customer. √
- Inconvenience√√
- The salesperson must make it as easy as possible for the prospect to buy his/her product√; the place of sale, method, size, use, delivery, after-sales service and method of payment are all things a salesperson can make easier for the prospect.√
- No need√√
- The salesperson must correctly qualify the prospect.√√
- Wrong time√√
- Arrange time that is convenient for the prospect to buy the product√; stress the advantages of buying immediately.√
- Other obligations√√
- Discover the competing need√ and highlight the advantages of your own product above those of the competing product.√
- (Any 5 x 4) (20)
- 4.3
- Telephones
 - Cell phones
 - The Internet
 - Smart devices
 - Computers
 - Fax machines
 - Radio pagers
 - Electronic diaries
- (Any 5 x 2) (10)

4.4	4.4.1	Product approach		
	4.4.2	Customer-benefit approach		
	4.4.3	Premium approach		
	4.4.4	Compliment approach	(4 x 2)	(8)
				[50]

QUESTION 5

5.1	5.1.1	Distribution and transport√		
		<ul style="list-style-type: none"> • Salespeople must ensure that customer orders are delivered on time and in good order, to ensure customer satisfaction.√ • Salespeople are always held responsible for any problems relating to the product by customers though they are not physically responsible for the production, packaging or distribution of the product. 		
	5.1.2	Advertising√		
		<ul style="list-style-type: none"> • The salesperson's knowledge of their target market enables them to make suggestions regarding where and how advertising should be done.√ • The salesperson provides feedback on the effectiveness and success of the advertising message. 		
	5.1.3	Market research√		
		<ul style="list-style-type: none"> • Salespeople know and understand their target market, so they provide the company with feedback the can assist management in making good decisions.√ • Salespeople are aware of the needs and problems of their customers. 		
	5.1.4	Standardisation and grading√		
		<ul style="list-style-type: none"> • Salespeople assist with the setting of standards (what customers need).√ • They also assist with informing the customers with the information. 		
	5.1.5	Product planning√		
		<ul style="list-style-type: none"> • Salespeople provide valuable feedback which is required for product planning.√ • Salespeople know what customers want in terms of packaging, size, colour or features of the product. 	(5 x 2)	(10)

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- 5.2
- Business records
 - Business leads and aids
 - Referrals by other salespeople
 - Direct mail and brochures
 - Shows and exhibitions
- (5 x 2) (10)
- 5.3
- Conditions within the business (marketing mix)
 - Conditions within the industry
 - Changed market conditions
 - General business conditions
 - Seasonal trends
 - Cyclical trends
 - Product life cycles
 - Inflation
- (Any 4 x 2) (8)
- 5.4
- Nature of the sales job/type of selling√√
- The type of selling that is required from a salesperson will largely determine the size of the territory and the number of customers allocated to them. √
- Nature of the product√√
- The type of product or service being sold will also influence sales territory design and this factor must be considered in conjunction with the nature of the sales job.√
- Stage of market development√√
- If a market is still in the growth stage, the marketer will want to expand his/her representation as much as possible to take advantage of the growing demand.√
- Intensity of market coverage√√
- If a company intends to cover the market fully, more territories will be designed and many salespeople will be allocated to those territories and vice versa.√
- Intensity of competition√√
- In a market where competition is very strong, one would expect more and smaller sales territories and this will ensure that salespeople visit customers on a regular basis.√
- (Any 4 x 3) (12)

- 5.5
- It is based on experience that cannot be taught or carried over.
 - It is not scientific.
 - Group opinion can be strongly influenced by a dominant member of the group.
 - Group pressures to 'agree' may distort individual judgements.
 - The responsibility of the forecast is spread amongst the group.
 - It adds workload to executives.
 -
 - Cannot break down the forecast into sales per geographic region or per product. (Any 5 x 2) (10)
- [50]**
- TOTAL SECTION B: 150**
GRAND TOTAL: 200