



**higher education  
& training**

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

# **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**SALES MANAGEMENT N5**

**6 JUNE 2018**

**This marking guideline consists of 9 pages.**

**SECTION A****QUESTION 1**

1.1	1.1.1	True		
	1.1.2	True		
	1.1.3	True		
	1.1.4	False		
	1.1.5	True		
	1.1.6	True		
	1.1.7	True		
	1.1.8	False		
	1.1.9	True		
	1.1.10	True		
	1.1.11	True		
	1.1.12	True		
	1.1.13	True		
	1.1.14	False		
	1.1.15	True		
	1.1.16	True		
	1.1.17	False		
	1.1.18	True		
	1.1.19	True		
	1.1.20	True		
			(20 × 2)	(40)
1.2	1.2.1	The standing room only technique		
	1.2.2	Minor question technique		
	1.2.3	Inducement technique		
	1.2.4	Assumptive close		
	1.2.5	Emotional closing technique		
			(5 × 2)	(10)
				<b>[50]</b>
			<b>TOTAL SECTION A:</b>	<b>50</b>

**SECTION B**

Answer any THREE of the four questions in SECTION B.

**QUESTION 2**

- 2.1
- Serves as a source of income
  - Promotes profit and goal attainment
  - Builds public relations
  - Plays a role in market research and advertising (4 × 2) (8)
- 2.2
- Resistance to change
  - Uneven spread of customers
  - Matching salespeople to territories from a personality point of view (3 × 2) (6)
- 2.3
- Job description is an precise, written description of the duties and responsibilities of the incumbent of a position.
  - Job specification is an explanation of the minimum personal characteristics such as skills, knowledge, experience, qualifications and abilities required by the incumbent to be able to fill the position successfully. (2 × 2) (4)
- 2.4
- 2.4.1     **Shock approach**  
This technique is used to grab the prospect's attention by shocking him/her, developing fear, arousing attention and interest to listen further.  
It can be successfully used by insurance salespeople.
- 2.4.2     **Product approach**  
The salesperson's approach is built entirely around his/her product  
It is used especially where the product is unique and very attractive.
- 2.4.3     **Compliment approach**  
The salesperson looks for something on which he/she can compliment the prospect.  
The compliment must, however, be sincere and conveyed with empathy.  
The compliment approach must not be overdone, and it doesn't work with all prospects.
- 2.4.4     **Premium approach**  
This approach technique is based on every person's desire to receive gifts or something free.  
This approach can be an offer to help a prospect with a problem such as a free inspection or service.
- 2.4.5     **Question approach**  
With regard to the prospect's need and problem and the salesperson's knowledge of his/her product, he/she develops questions within his/her approach which will arouse the prospect's attention and interest.  
  
(5 × 2) (10)

- 2.5
- To ensure customer satisfaction
  - To make customers feel important
  - To ensure customer loyalty
  - To build strong long-term relationships with customers
  - To provide support to customers
  - To handle complaints/enquiries
  - To provide customer care and after-sales service
- (Any 6 × 2) (12)
- 2.6
- Size of the organisation
  - Type of product
  - Price
  - Type of purchase
  - Company policy
  - Risk involved
  - Time pressure
  - Size of the business
  - Centralisation of authority
- (Any 5 × 2) (10)  
**[50]**

**QUESTION 3**

- 3.1
- Market potential refers to the total (maximum) expected sales of a given product or service✓ for the entire industry,✓ in a specific market over a stated period of time.✓
  - Sales potential refers to the share of the market potential✓ that an individual company✓ can reasonably expect to achieve, the product, market and time period must be specified.✓
- (2 × 3) (6)
- 3.2
- Ensures proper market coverage
  - Workload equalisation
  - Increases morale of sales people
  - Evaluation and control of the sales force
  - Analysis and planning of sales activities
  - Sales are improved
  - Reduces conflict and disputes
  - Improves/strengthens customer relations
  - Reduces selling costs
  - Coordinates selling with other marketing activities
- (Any 7 × 2) (14)
- 3.3
- In currency value/rand
  - In unit sales
  - In point sales
- (3 × 2) (6)
- 3.4
- Money objection means the prospect does not have the money to buy the product.
  - Price objection means that the prospect might have the money to pay for the product but he/she feels the price is too high.
- (4)

- 3.5      3.5.1      **The assumptive close**
- The principle behind this technique is the assumption that the prospect will buy.
  - There is no doubt in the salesperson's mind that he/she will sell and the prospect will buy, it's just a question of a few minor matters like colour, size, delivery and terms. (2 × 1) (2)
- 3.5.2      **The minor question technique**
- A minor question is a question which refers to less important or secondary aspect of the product or transaction.
  - The minor question ignores the primary or conclusive question: 'Are you going to buy or not?'
  - The most important part of this technique is that when the prospect answers the minor question, he/she silently agrees to the sale.
  - This technique cannot offend, because if the prospect is not ready to buy, he/she thinks the question is part of the sales routine. (Any 2 × 1) (2)
- 3.5.3      **The inducement technique**
- The salesperson provides the prospect with a special inducement or motivation to buy.
  - The inducement holds a possibility or even a danger, that if the prospect does not buy immediately he/she could lose something.
  - This closing technique is used especially in the presentation where the prospect has been taken through all the steps, he/she wants your product but he/she delays or can't reach a decision.
  - Salesperson may offer the prospect something for free, e.g. premiums, gifts, additional discount or larger and longer credit facilities. (Any 2 × 1) (2)
- 3.5.4      **The emotional closing techniques**
- The salesperson personalises the closing plea by applying it intimately to the prospect's own position and emotion.
  - All humans are naturally scared of losing loved ones or belongings. This can give prospects a strong drive to buy certain products.
  - This technique works well because all decisions are based on feelings.
  - The salesperson deliberately plays to the prospect's emotions and arouses certain emotions.
  - The emotional closing technique is also used after other methods have failed.
  - This technique must be used very discreetly without causing unnecessary worry and concern.
  - It must never be seen as a threat, but rather as an indication of interest and concern for the prospect on the part of the salesperson. (Any 2 × 1) (2)

- 3.5.5     **The standing room only technique**
- This technique makes use of man's natural inclination and motive to want what others have.
  - It is against nature to let an opportunity pass by.
  - If the prospect hears that there is only one article left, or that it has already been ordered, he/she usually wants it.
  - This sale close must be used only if the reason which the salesperson gives is the truth.
  - It cannot be used to get rid of goods which sell slowly and which there are still many in stock.
  - It would be highly unethical of the salesperson to do so
- (Any 2 × 1)     (2)
- 3.6
  - Deciding which accounts (customers) to call
  - Dividing time between selling and administration
  - Allocating time between present customers, prospective customers and service calls

(3 × 2)     (6)

3.7     Sales territory comprises a number of present and potential customers, located within a given geographical area and assigned to a specific salesperson, for a given period of time. (4)

**[50]**

**QUESTION 4**

- 4.1     4.1.1
  - Mpikiwane Tyres cannot use the time series analysis, because this method uses historical trends to predict future demand.
  - Forecasting is based on the assumptions from patterns observed in the sales levels in the past. These can be used to predict future sales but Mpikiwane Tyres has just been launched, therefore there are no figures from past sales.

(2 × 2)     (4)

4.1.2     They can use the *jury of executive opinion*. (2)

4.1.3     
  - Reason: The jury of executive opinion is very useful in situations where no previous data is available.
  - Example: When a new business is started, a new product is launched or a business plans to sell in a new area/market

(2 × 2)     (4)

4.2     
  - To provide a quantitative performance standard
  - To obtain tighter sales and expense control
  - To motivate desired performance
  - To use in connection with sales contests/competitions

(4 × 2)     (8)

4.3	4.3.1	<p><b>Endless-chain technique</b></p> <ul style="list-style-type: none"> <li>• This technique can be used for prospecting customers for any type of product or service.</li> <li>• This technique amounts to the salesperson getting names of friends and acquaintances from every customer to whom he/she sells a product, for future use in prospecting.</li> <li>• This technique must be deliberately built into each sales presentation.</li> <li>• The salesperson can also obtain names of prospects to whom he/she has not sold, although it is easier to get names from satisfied customers</li> </ul>		
	4.3.2	<p><b>Influence centre</b></p> <ul style="list-style-type: none"> <li>• A centre of influence is usually a person, a public figure or an organisation who has gained the honour, respect and admiration of the community, business and industry, who others look up to.</li> <li>• People respect such a person's judgement and are keen to follow his/her examples in everything he/she does.</li> <li>• Influence centres can be attorneys, doctors, ministers, actors/actresses, sports stars or successful business people.</li> </ul>		
	4.3.3	<p><b>Direct prospecting</b></p> <ul style="list-style-type: none"> <li>• This technique is also known as cold canvassing (cold calling) or door-to-door selling</li> <li>• The salesperson approaches an individual without any preknowledge of the person or without making sure that the person is actually a prospect.</li> <li>• It doesn't work for very expensive products.</li> </ul>	(3 × 4)	(12)
4.4		<ul style="list-style-type: none"> <li>• Guarantees</li> <li>• Testimonials</li> <li>• Referrals</li> <li>• Documentation</li> <li>• Demonstration</li> <li>• Quality stamps</li> <li>• Data of previous sales</li> <li>• Independent research findings</li> <li>• Endorsements</li> </ul>	(Any 5 × 2)	(10)
4.5		<ul style="list-style-type: none"> <li>• Reduces travel time and selling costs</li> <li>• Improves territory coverage</li> <li>• Improves obtaining information</li> </ul>	(3 × 2)	(6)
4.6		<ul style="list-style-type: none"> <li>• Sales volume quotas</li> <li>• Budget quotas</li> <li>• Activity quotas</li> <li>• Combination and point system quotas</li> </ul>	(Any 2 × 2)	(4)
				<b>[50]</b>

**QUESTION 5**

- 5.1
- The knowledge and expertise of the people closest to the customers are used.
  - The salespeople are aware of trends.
  - The sales force is under more pressure to make the forecast a reality.
  - Salespeople have greater confidence in a forecast, quotas/targets and budgets.
  - Forecasts are developed by type of product, per territory, according to customer type and time period, therefore a final detailed forecast is readily available. (Any 2 × 2) (4)
- 5.2
- Step 1 – Select a geographical control unit  
Step 2 – Analyse salespeople's workload  
Step 3 – Determine sales potential in each control unit  
Step 4 – Determine the basic territories  
Step 5 – Assign salespeople to territories (5 × 2) (10)
- 5.3
- Knowledge boost a salesperson's confidence.
  - It contributes to heightened enthusiasm.
  - It promotes specialisation and professionalism.
  - It leads to personal development and progress.
  - Knowledge builds loyalty. (Any 3 × 2) (6)
- 5.4
- It provides the salesperson with background information.
  - Saves the salesperson valuable time and energy by being able to distinguish between prospects and general leads.
  - Information gained provides clues indicating the prospect's real buying motives.
  - Helps the salesperson decide what would be the best way to approach the prospect and how to plan his/her presentation.
  - It prevents the salesperson from making serious mistakes, e.g. call a doctor 'Mr' or a married woman 'Miss' during his/her approach and presentation.
  - It ensures that the salesperson regularly supplements the information in an organised way.
  - The information provides a basis for questions with which to fill in missing information.
  - It creates a lot of confidence in the salesperson and in his/her presentation/product/service.
  - Prospects are impressed by the professionalism and thoroughness of the salesperson when they realise that the salesperson has taken the trouble to gather a lot of information. It gives them a feeling of self-importance.
  - The background information gained makes the salesperson more confident and enthusiastic when presenting the product/service to the prospect. (Any 5 × 2) (10)



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- 5.5
- Cover all relevant facts.
  - Write down benefits and arrange in order of importance.
  - Identify the differential advantages.
  - Use a demonstration or plan visual aids.
  - Emphasise specific facts.
  - Make statements trustworthy.
  - Make provision for time to ask questions and to listen.
  - List the main points of the sales presentation.
  - Make the presentation relevant (personalised).
  - Get to the point.
  - Type out the sales presentation or write it down. (Any 10 × 2) (20)
- TOTAL SECTION B: 150**  
**GRAND TOTAL: 200**