

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION PAPER
DECEMBER 2015

TITE OF PAPER : SALES MANAGEMENT
COURSE CODE : BA 418 F.T. / BA 417 I.D.E.
TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER (6)**
- 2. SECTION A IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS IN SECTION B**
- 4. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE INDICATED ALONGSIDE THE QUESTION.**

NOTE:

MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH, AND FOR ORDERLY AND NEAT PRESENTATION OF WORK. FURTHER MARKS WILL BE AWARDED FOR USE OF RELEVANT EXAMPLES.

SPECIAL REQUIREMENTS : NONE

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION TO DO SO HAS BEEN GRANTED BY THE INVIGILATOR.

CLICKS BEAT QUEUES AS SA BUYS INTO ONLINE SHOPPING

RETAILERS REPORT THAT WEB SALES ARE SOARING

For a Johannesburg mother of one, with another baby on the way, time is precious and trawling through the malls is the last thing she wants to do. Online shopping offers the perfect solution.

The tech savvy mum browses online shopping sites for nappies, clothes, books and cooking utensils, spending between R500 and R1 000 a month.

“I browse a few times a week and then buy monthly. Takealot sells nappies really cheap, and delivers to the door, for free, so it’s a steal. They also have discounts on certain days ... Nappies are R200 a pack normally, but online I get two packs for R279 on a discounted day.”

“I found Woolworths is good for checking prices, but its high delivery fee means I might as well go to the store,” she said.”

The 34 year old writer buys clothes and shoes from Zando, which has discounts such as 20% off on “Master Card Mondays “and R200 birthday voucher.

“Best is the free exchanges. However, the quality of their local brand, Utopia, is not great. I would love to shop more on Spree.com, but they are high-end and about the same as regular retailers.”

If she cannot find a particular book in store, she buys it online from Amazon.

“When I first started online shopping there was not enough choice available. Now you can buy anything online,” she said.

She is among thousands of South African shoppers who are increasingly using their computers and smartphones to shop.

Cape Town product manager Pia Spartley, an avid online shopper, spends on average about R500 a month online.

“I started in 2008 because I found it convenient, I didn’t have to stand in queues or drive to the shop. Also there is a broader range of choice and a lot of the products are cheaper online,” said the 27 year old.

“However, for groceries I go to the store. My experience in buying clothing.... Has always been good and I have never returned anything because it didn’t fit.”

Spartley often shops online at Amazon, Zando, Travelstart, Yuppiechef, eBay and Takealot.

According to findings by Ipsos, a global market research company, South African consumers are showing a growing interest in online retail.

Commissioned on behalf of International payment system PayPal and FNB, Ipsos interviewed 501 South Africans aged between 18 and 54 who used a PC, laptop, cellphone or table to shop or browse online between June and November last year.

Some 22% said they had made purchases online and 48% expected to do so in the future.

The most popular online shopping categories for South Africans were digital goods (52%), event tickets (50%), travel or transportation (45%) and fashion (38%).

The spike in online activity and projected growth is one of the reasons behind the merger of online retailers Kalahari and Takealot. The merger, effective in a few weeks, will provide customers with the best possible online shopping experience.

Online clothing retailer Spree, which launched in April 2013, has reported year to year growth in account registrations of more than 115%.

Its annual growth in the number of monthly shoppers is 275%, and its daily orders have increased by 288%.

This increased in the number of monthly shoppers and daily orders indicates that customers have increased trust in shopping online, said Spree brand manager Kim Hawkins. Interestingly, shopping on mobile devices has also shown great growth, with daily orders being seven times bigger every year.

Nikki Cockroft, Woolworths' head of online, said its online shoppers had doubled year on year. "At the moment the majority of Woolworths online purchases are for food and household goods."

"Although the majority of Woolworths' online shoppers are women, the company is seeing more men online, especially for special occasion gift buying", she said.

"Most of Woolies' online shoppers are based in the major metropolitan areas, with Johannesburg, Cape Town and then Durban leading the charge."

Sascha Breuss, MD and CEO of Zando, a fashion, homeware and accessories retailer that launched in South Africa in 2012, said there had been a consistent increase in online traffic over the past three years, and that had accelerated over the past four months.

Every single month Zando is seeing more than two million visitors on our website, which makes us the biggest fashion destination in South Africa, not only online, but also in comparison with the biggest malls in the country.

Pick n Pay, the first to offer an online grocery service, in 2001, saw online sales grow by 27% last year.

"We have found that more South Africans are appreciating the convenience of online shopping and the time they can save in a busy day", said Michael Cotterell, Pick n Pay's head of online shopping.

The company has registered 40 000 new online shoppers in the past financial year and is now looking at an online clothing offering.

The Ipsos research also found that South African e-commerce sites were popular destinations for shoppers from Nigeria. Some 30% of Nigerian cross border shoppers have purchased goods from South Africa in the past 12 months.

--- Taschica Pillay. Sunday Times. News. April 26,2015. Page 9.

SECTION A

- Q. 1 What are the advantages of shopping on line ? (12 marks)
- Q. 2 Which products are most popular when it comes to online shopping ? (8 marks)
- Q. 3 There is incredible spikes in sales of all online products. What do you think are the major drivers of this phenomena ? (10 marks)
- Q. 4 In your opinion, where is Swaziland in all this? Which products, and why , do you think are ideal for online shopping today in Swaziland. (10 marks)

SECTION B

- Q. 1 The Sales Manager as leader of the company Sales team performs a number of key functions. Discuss these key functions with examples. (20 marks)
- Q. 2 Briefly discuss with the use of examples, The Personal Selling Process. (20 marks)
- Q. 3 Specialisation within the Sales Force ensures effective operations, control, and good performance overall. Discuss with examples the basic forms of specialisation for a Sales Force. (20 marks)
- Q. 4 Training costs money, time and other company resources. Hence it should always be cost effective. Discuss with examples five benefits that should result from training. (20 marks)

Q. 5 Briefly discuss with examples the motivation process.

(20 marks)