



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

SALES MANAGEMENT N5

27 May 2024

This marking guideline consists of 10 pages.

SECTION A

QUESTION 1

1.1	1.1.1	D	(10 × 2)	(20)
	1.1.2	B		
	1.1.3	C		
	1.1.4	A		
	1.1.5	B		
	1.1.6	D		
	1.1.7	A		
	1.1.8	C		
	1.1.9	B		
	1.1.10	D		
1.2	1.2.1	False	(10 × 2)	(20)
	1.2.2	True		
	1.2.3	False		
	1.2.4	True		
	1.2.5	False		
	1.2.6	False		
	1.2.7	False		
	1.2.8	True		
	1.2.9	True		
	1.2.10	True		
1.3	1.3.1	Prejudice	(5 × 2)	(10)
	1.3.2	Wrong time		
	1.3.3	Indecision		
	1.3.4	Inconvenience		
	1.3.5	Price objection		
				[50]

TOTAL SECTION A: 50

SECTION B

QUESTION 2

- 2.1
- Personal neatness and attire
 - Appearance
 - Good health
 - Manners and habits
 - Use of voice
- (5 × 2) (10)
- 2.2
- Know your company/business
 - Know your industry
 - Know your competitors
 - Know your product
- (4 × 2) (8)
- 2.3
- Various viewpoints and a wider range of experience are applied.
 - Decisions are made more scientifically.
 - The level of pressure in the buyer-seller relationship is lowered.
 - It lowers the risk involved.
 - It ensures that the investment meets with the expected business growth as set out by the business' strategic plan.
 - It helps to protect the company's brand.
 - Complexity of the task: Buying some products, like information technology, requires input from various experts.
 - It maintains competitiveness.
- (Any 5 × 2) (10)
- 2.4 **Need or use✓✓**
- If a prospect is only interested in a product/service, but does not have a use or need for the product for himself/herself or for a relative, friend, colleague or his/her business, he/she does not qualify as a prospect.✓
 - E.g.: A person staying in an area where there is no electricity, does not need electric appliances.✓
 - During the qualification process, it is necessary that the salesperson determine the prospect's motives for his/her possible interest in the product.
 - The salesperson must find out what the real motives and needs of the prospect are.
 - Sometimes the prospective buyer is not aware that a need for a product exists, so the salesperson must present the use of his/her product in such a way that a need and use for the product is created with the prospect.
- Ability to buy✓✓**
- Ability to buy means that the prospect has cash available, can pay by cheque or credit card, has credit facilities available or qualifies for credit arrangements.✓
 - Therefore, the qualification of prospects includes investigation into the prospect's financial position and creditworthiness.✓
 - The salesperson must examine the prospect's credit record with the help of credit agencies.

(Continues)

Size and importance of sales transaction✓✓

- The salesperson's income is directly related to the volume of his/her sales if he/she receives a straight commission.✓
- It would be more profitable for a salesperson to concentrate on a prospect who would place a larger order than a lot of smaller prospects.✓
- In terms of time, costs and problems, it would pay the salesperson to first attend to a prospect who would place a larger order than one who places a smaller order.
- However, the potential of the smaller prospect must not be lost from view, because today's small order may develop into tomorrow's large order.

Frequency of need✓✓

- How often a customer buys also plays a role in determining a salesperson's time and effort.✓
- Does one spend one's time on the buyer who buys often or on the one who buys now and then?✓
- The answer depends on the industry, the distance from suppliers, the size and financial strength of the customer and his/her potential.
- The salesperson prefers to get larger and more frequent orders because the customer will then buy less from his/her competitors.

Urgency of need✓✓

- Much of the salesperson's valuable time may be lost in sales transactions if he/she has not established the urgency of the prospect's need.✓
- Salespeople should use their discretion and not devote too much of their time in prospects who only wish to buy in the future.✓
- E.g.: A couple with no kids will not be interested in buying educational toys immediately.
- In cases like these, a salesperson must only leave brochures and other information on the product and a business card after a personal visit.
- The salesperson's time can also be saved by emailing the details and documentation regarding the product after a telephone conversation with a prospect.

Authority to buy

- This refers to the authority the so-called final decision maker has over the buying team in making purchasing decisions especially in the industrial market.
- It can also refer to the authority certain persons (husband and wife or partners in the case of partnership) have to sign contracts.

(2 for qualifying criteria + 1 per fact for explanation (2 facts required)) (5 × 4) (20)

- 2.5 A buying team is a group of people in a business✓ responsible for making organisational purchase decisions.✓

(2)
[50]

QUESTION 3

- 3.1
- Size of the organisation
 - Type of product
 - Price
 - Type of purchase
 - Company policy
 - Risk involved
 - Time pressure
- (Any 5 × 2) (10)
- 3.2
- Create goodwill.
 - Review the sales presentation.
 - Record everything that happened.
 - Ask the prospect why he/she declined the proposition and listen carefully.
 - List all the mistakes made.
 - Maintain contact with the prospect.
 - Do not give up.
- (Any 5 × 2) (10)
- 3.3
- Serves as a source of income
 - Promotes profit and goal attainment
 - Acts as public relations officers
 - Serves as a source of information
 - Plays a role in market research and advertising
- (Any 5 × 2) (10)
- 3.4
- 3.4.1
- This approach involves the salesperson focusing the prospect's attention and thoughts on a benefit of the product or service.
 - The benefits must be of real interest to the prospect.
 - This method is used if certain buying motives prevails, right from the start, otherwise this method will be unsuccessful.
 - E.g.: My company is aware that a fleet owner with as many taxis as you, does not buy tyres but, with regard to economy and saving, my company's tyres will give you more kilometres for much less money.
 - The prospect is interested because a benefit, which can save him/her money immediately, gets his/her attention.

- 3.4.2
- Everyone likes receiving compliments.
 - In this approach a salesperson looks for something on which he/she can complement the prospect.
 - The compliment must, however, be sincere and conveyed with empathy.
 - E.g.: A door-to-door salesperson can compliment the prospect on his/her beautiful garden and the tidiness of his/her property.
 - The compliment approach must not be overdone and it also does not work with all prospects.
 - This technique can also be used very successfully with other approach techniques.
- 3.4.3
- This approach is based on every person's desire to receive gifts or something for free.
 - This approach can be an offer to help a prospect with a problem, such as a free inspection or service.
 - It could even be a small free gift or a sample of the product.
- 3.4.4
- The salesperson opens the discussion in a dramatic manner, exaggerating his/her actions and gestures.
 - Back up your words with action and gestures – how you handle products, how you stand, your facial expression, etc. all tell people more than words.
 - This approach involves the use of more than one of the prospect's senses, for instance, "taste this", "smell it", "feel the material", "listen to the sound".
 - The prospect also becomes involved and is made part of the presentation right from the start and the prospect experiences ownership and also realises that he/she is able to operate the computer.
 - Words like "see", "look", "feel", "listen", "try" and others are attention-getters and arouse interest that successful salespersons learn to use in their approach of prospects.
 - This approach must be used with caution as many prospects do not like it.
 - Street vendors like using this approach.
- (2 per fact + 2 facts required per approach technique) (4 × 4) (16)
- 3.5
- Step 1: Prospecting
- Step 2: Preapproach to/Planning of the sales presentation
- Step 3: Approach to the sales presentation
- Step 4: Sales presentation
- NOTE:** Do not award marks if steps are not in order. (4)

[50]

QUESTION 4

- 4.1
- The task of explaining quotas and how they are determined is simplified.
 - Sales personnel have some information about their territories that management does not have and it can contribute to quota accuracy.
 - They are more easily convinced of their accuracy. (3 × 2) (6)
- 4.2
- Do not talk too much.
 - Keep the message simple.
 - Speak the prospect's language.
 - Speak clearly and understandably.
 - Be specific.
 - Use sales talk.
 - The most important talk is question.
 - Ask questions throughout. (Any 6 × 2) (12)
- 4.3
- Telephones
 - Cellphones
 - Internet
 - Smart devices
 - Computers (5 × 2) (10)
- 4.4
- Sales philosophy of the business (slogan)
 - Production processes and methods
 - Distribution policy
 - Price policy
 - Financial and credit policy
 - Promotion and advertising (6 × 2) (12)
- 4.5
- Step 1: Select a geographical control unit
Step 2: Analyse salespeople's workload
Step 3: Determine the sales potential in each control unit
Step 4: Determine the basic territories
Step 5: Assign salespeople to territories
- NOTE:** Do not award marks if steps are not in sequence. (5 × 2) (10)
- [50]**

QUESTION 5

- 5.1
- Forecast is determined by actual product users.
 - Forecast is relatively fast and inexpensive when only a few customers are involved.
 - It is useful in forecasting new-to-the-market products.
 - Management can direct feedback of the thinking of the people in the market.
 - Detailed product usage information can be obtained.
 - It can be very useful during strategic marketing planning. (5 × 2) (10)

- 5.2
- Product itself
 - Models
 - Illustrated brochures
 - Videos and films
 - Sales portfolios/personal files of the salesperson
 - Samples
- (Any 5 × 2) (10)

5.3 **Sales volume quotas derived from territorial sales potentials✓✓**

- This procedure is used when territorial sales potentials are determined in conjunction with territorial design✓
- Or where the bottom-up planning or forecasting procedures are used in obtaining the sales forecast.✓
- Sales management sets sales volume quotas by calculating the percentage relationship between each territorial sales potential and total sales potential and using the resulting percentages to apportion the business sales estimate among territories.
- If bottom-up planning and forecasting procedures have been used, management already has considered factors such as past sales, competition, changing market conditions and differences in personal ability.
- The final revised estimates of territorial sales potential become the territorial sales volume quotas.
- Further adjustments are advisable and, because of their experience, the judgement of management is used to set realistic quotas.

Sales volume quotas derived from total market estimates✓✓

- In some companies, management has neither statistics on nor sales force estimates of territorial sales potentials.✓
- These companies use top-down planning and forecasting to the sales estimate for the whole company.✓
- Management may either break down the total company sales estimate and then make adjustments to arrive at territorial sales volume quotas
- Or convert the company sales estimate into a sales quota for the country by taking into account expected changes in price, product, promotion, etc.
- Adjustments are also made for differences in territories and sales personnel before arriving at territorial quotas.
- In companies with more than two organisational levels in the sales department, additional adjustments are necessary.
- Adjustments take place at company level as well as at regional level.
- Quotas set in this way are more acceptable to the sales staff, because they have participated in setting them.

Sales volume quotas based on past sales experience✓✓

- Companies take last year's sales for each territory, adds a certain percentage and use the results as the sales volume quota.✓
- They can also take average past sales for each territory over several years, adds certain amounts and thus set quotas for sales volume.✓
- The second method is better than the first, because the averaging procedure cancels the distorting effects of abnormally good and bad years.
- Companies using past sales procedures for determining quotas assume that past and future sales are related.
- Companies who use these assumptions can repeat past errors.

Sales volume quotas based on executive judgement alone✓✓

- This method is used when there is little information available to use in setting quotas.✓
- There may be no sales forecast, no practical way to determine territorial sales potential, the product may be new and its rate of market acceptance unknown.✓
- The territory may be new to the company or a newly recruited salesperson may have been assigned to a new territory.
- In these situations, management may set quotas solely on their own judgements.
- Management's judgement is important in determining quotas, but it cannot be used on its own.

Sales volume quotas related only to compensation plan✓✓

- Companies sometimes base sales volume quotas solely upon expected amounts of compensation that management believe sales personnel should receive.✓
- No consideration is given to territorial sales potentials, total market estimates and past sales experience-quotas are determined just to fit the sales compensation plan.✓
- Such quotas are poor standards for appraising sales performance because they do not relate to territorial sales potential.

Letting sales personnel set their own sales volume quotas

- The reason for this method is that sales personnel are closest to the territories, know them best and therefore should set realistic sales volume quotas.
- Management is also shirking (ducking/avoiding) the quota-setting responsibility and turns the whole problem over to the sales staff.
- They do that thinking salespeople will complain less and work harder to attain the quotas, if they set their own standards.
- Quotas can be set unrealistically high or low, management should make the final decision, because sales personnel cannot adjust for changes management makes in price, product, promotion and other policies.

(2 for naming + 1 per fact for explanation, 2 facts required) (5 × 4) (20)

- 5.4
- Thank the customer for the business.
 - Confirm delivery of the product.
 - Follow-up to ensure continued satisfaction.
 - Follow-up to determine future needs.
 - Make adjustments to the order.
 - Follow-up with existing customers to obtain prospects.
 - Follow-up with the view to provide service
 - Follow-up on the customer's request.
- (Any 5 × 2) (10)
[50]
- TOTAL SECTION B: 150**
GRAND TOTAL: 200