



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

SALES MANAGEMENT N5

8 October 2020

This marking guideline consists of 10 pages.

SECTION A

QUESTION 1

1.1	1.1.1	F		
	1.1.2	J		
	1.1.3	A		
	1.1.4	B		
	1.1.5	I		
	1.1.6	C		
	1.1.7	E		
	1.1.8	G		
	1.1.9	H		
	1.1.10	D		
			(10 × 2)	(20)

1.2	1.2.1	False		
	1.2.2	True		
	1.2.3	True		
	1.2.4	False		
	1.2.5	True		
	1.2.6	True		
	1.2.7	False		
	1.2.8	True		
	1.2.9	False		
	1.2.10	True		
	1.2.11	False		
	1.2.12	True		
	1.2.13	True		
	1.2.14	True		
	1.2.15	True		
			(15 × 2)	(30)
				[50]

TOTAL SECTION A: 50

SECTION B**QUESTION 2**

- 2.1
- Positive attitude
 - Knowledge
 - Personality
 - Skills
 - Experience
- (5 × 2) (10)
- 2.2
- The products/services that they provide
 - How they market their products/services
 - Prices of their products
 - How they distribute/deliver their products
 - The aftersales service that they offer
 - Their media activities (where they advertise)
 - How they use IT in their business (e.g. website, email and social media)
 - Size of market share
- (Any 5 × 2) (10)
- 2.3
- Name, address and type of business.
 - The history and other information about the business and personnel.
 - The operational functioning of the business.
 - Industry competitors and buying procedures.
 - Future perspective.
- (5 × 2) (10)
- 2.4
- A Time available✓✓
- Some methods like Delphi techniques take longer than others.✓✓
 - A lack of time may render some methods useless.
- B Availability of data✓✓
- Time series analysis requires a historical database.✓✓
 - If adequate data do not exist, time series analysis cannot be used for a new product.
 - The forecaster should rather use the Delphi technique or the jury of executive opinion.
- C Personnel/Staff✓✓
- The expertise of personnel is another critical consideration✓✓
 - To develop meaningful forecasts, the methods and data must be clearly understood by personnel.
 - A business with no experienced personnel cannot use the sales force composite.
- D Accuracy✓✓
- The degree of accuracy desired affects the method selected.✓✓
 - If the forecaster wants accurate results, user expectation is recommended.

- E Product/Service ✓✓
- Different product lines in a business's product range should be forecasted separately since different factors may affect their sales. ✓✓
 - A product in the maturity stage of its lifecycle will have extensive historical sales data to support short-term forecasts.
 - A product that was just launched will not have such a track record.
- TWO marks for naming and TWO marks for explaining one point (5 × 4) (20)
[50]

QUESTION 3

- 3.1
- Select a geographical control unit.
 - Analyse salespeople's workload.
 - Determine sales potential in each control unit.
 - Determine the basic territories.
 - Assign salespeople to territories. (5 × 2) (10)
- 3.2
- Sales volume quotas.
 - Budget quotas.
 - Activity quotas.
 - Combination and point system quotas. (4 × 2) (8)
- 3.3
- To ensure customers' satisfaction.
 - To make the customers feel important.
 - To ensure customer loyalty.
 - To build long-term relationships with customers.
 - To provide support to customers.
 - To handle complaints/enquiries.
 - To provide customer care and aftersales service. (Any 6 × 2) (12)
- 3.4
- 3.4.1
- The salesperson gets names of family, friends, and acquaintances from every customer that he/she sells to.
 - The satisfied customer will get names of people whom he/she thinks will also benefit from the product/service and can afford it.
 - The salesperson can also get names from prospects that he/she has not sold to, although it's easier to get names from satisfied customers. (2 × 2)
- 3.4.2
- A centre of influence is usually a person (public figure) or an organisation that has gained the honour, respect and admiration in the community, business and industry that others look up to.
 - People respect such a person's judgement and are keen to follow his/her example in everything he/she does.
 - A centre of influence can be doctors, sports personalities, actors, etc.

(2 × 2)

- 3.4.3
- Salespeople make arrangements with others to refer any prospects encountered during the course of their business.
 - A spotter's responsibility is to locate a prospect and report them to senior salespeople who take over the responsibility of selling prospects to these people.
 - The spotter can also be a non-salesperson, for an example, a general practitioner that refers to a gynaecologist. (2 × 2)
- 3.4.4
- This technique is also known as cold canvassing or door-to-door sales.
 - The salesperson approaches an individual without any pre-knowledge that the person is actually a prospect.
 - Direct prospecting will not work with all products.
 - It also applies to direct prospecting by telephone.
 - House-to-house sales, direct telephone sales, systematic visits to schools and hospitals are examples of direct prospecting. (2 × 2)
- (4 × 4) (16)
- 3.5
- Physical objections
 - Psychological objections (2 × 2) (4)
- [50]**

QUESTION 4

- 4.1
- Size of the organisation
 - Type of product
 - Price
 - Type of purchase
 - Company policy
 - Risk involved
 - Time pressure (Any 5 × 2) (10)
- 4.2
- This person is the first to recognise a need/problem.
 - He/she requests the order/purchase of a product.
 - The initiator starts the purchasing process. (3 × 2) (6)
- 4.3
- Thank the customer
 - Confirm delivery details of the product
 - Follow up to ensure continued satisfaction
 - Follow up to determine future needs
 - Adjustment to order
 - Follow up of existing customers for obtaining prospects
 - Follow up with the view to providing a service
 - Follow up on customer's request (Any 7 × 2) (14)

4.4 Prejudice✓✓

- Personal preferences and prejudice sometimes give rise to objections.✓
- Prospects believe in certain preconceived ideas, principles or superstitions.✓
- These prejudices create a block that can influence the sales presentation negatively.
- It is the salesperson's task to recognise these prejudices and handle them tactfully.

Ignorance✓✓

- Many objections arise from a lack of knowledge because the prospect is not aware of his/her need and how the product can satisfy that need.✓
- In that case, the salesperson must convey additional information to the prospect very carefully because the prospect won't want to seem uninformed.✓
- The prospect must be made fully aware of his/her problem and need, and how the product can solve and satisfy those.
- Sometimes the prospect has been misinformed or does not know about the existence of the product.
- As long as prospects remain uninformed, their motivation to buy will be weak.

Fear✓✓

- This is a problem when very expensive products are purchased and where the risk of losing money due to a wrong choice is great.✓
- Many people are afraid of taking decisions and making mistakes or of making a poor impression on friends and relatives.✓
- The salesperson must discover the fears that give rise to objections and handle them in a tactful and respectful way.
- The salesperson should provide all facts and evidence to show that the fears are groundless.

Self-satisfaction✓✓

- Self-satisfaction is when people are satisfied with what they have.✓
- Self-satisfaction could lead to objections.✓
- In most cases, these people are satisfied with their present circumstances because they do not know any better.
- To overcome self-satisfaction, it is necessary to show the prospect what he/she is missing.

Indecision ✓✓

- The prospect wants the product and he/she has the money to buy it, but then his/her habits of putting things off comes to the fore and he/she asks the salesperson to see him/her again later or makes any other excuse not to take immediate action.
- Sometimes a prospect is indecisive and cannot make up his/her mind as to whether or not to buy the product.
- To overcome indecision, the salesperson should once again go over the steps in the selling process and get the prospect to agree on minor detail such as colour, delivery date, method of payment, etc. to try and close again.

TWO marks for the heading, and ONE mark each for TWO explanations

(5 × 4)

(20)
[50]

QUESTION 5

- 5.1
- Creativity, resourcefulness and imaginativeness.
 - Self-motivation to attainment of goals.
 - Persuasiveness and mental sharpness.
 - Self-confidence and self-assuredness.
 - Social person and service-orientation.
 - Perseverance and drive. ✓✓
 - Observant, sharp wittedness and studiousness.
 - Adaptability and versatility.
 - Reliability, responsibility and punctuality.
 - Empathy, tolerance and understanding.
- (6 × 2) (12)
- 5.2
- Poor planning of the day's activities.
 - Calling on unqualified prospects.
 - Insufficient use of the telephone.
 - Taking long lunch breaks.
 - Inefficient use of waiting time.
 - Too much entertainment of customers.
 - Arriving without an appointment.
 - Too many coffee breaks.
 - Inefficiency in paperwork.
- (Any 4 × 2) (8)
- 5.3
- 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 this may contribute to quota accuracy.
 - They are more easily convinced of their accuracy.
- (3 × 2) (6)

5.4 Assumptive close ✓✓

- The salesperson assumes that the prospect will buy the product no matter what. ✓
- It's just a matter of a few minor issues such as colour, size, delivery and terms. ✓
- If the prospect does not stop the salesperson, the sales transaction has been completed and the administrative procedures for closing need to be finalised.

Questions such as the following are used in the assumptive close:

- *How soon do you want the TV delivered?
- *How do you intend to pay, cash or credit?
- *What amount would you like to pay as a deposit?
- *What colour do you prefer?

The minor question technique ✓✓

- A minor question is simply a question that refers to one or other less important or secondary aspect of the product or transaction. ✓
- The minor question simply 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.
- An example of this technique is when the salesperson asks the prospect: Do you prefer the red or the white model? or Should we deliver it to your home or office?

The direct approach technique ✓✓

- Many salespeople are so intent on selling and overcoming objections that they miss the most obvious – they do not ask the prospect to buy and so lose a good opportunity. ✓
- In most cases they are afraid to ask and get a negative response, as they cannot accept failure. ✓
- The secret of this close lies in the right psychological moment when the order must be asked for.
- It is logical that all the right steps must first be completed, and the prospect must be interested and feel a need, and that he/she is also partly convinced that the product will satisfy his needs.
- If the prospect answers 'NO', the salesperson must ask him/her to explain why.

The inducement technique ✓✓

- The salesperson provides the prospects with a special inducement to buy. ✓
- The inducement holds a possibility, or even the danger, that if the prospect does not buy immediately, he/she could lose out on something. ✓
- This technique is used when the prospect delays or cannot reach a decision, in spite of the fact that he/she has been guided through all the steps.
- The salesperson may offer something for free.
- Premiums, gifts, additional discounts and longer credit facilities are examples of the inducement technique.

- The success of this technique depends on how and when it is used.
- First try one of the other closing techniques, if it doesn't work, use the inducement technique.
- It remains one of the best ways to overcome delay and uncertainty.

The emotional closing technique✓✓

- Man's inherent self-preservation and his fear of losing reputation, possessions and loved ones, are among his strongest motives that will convince him to buy certain products.✓
- This technique works well because all decisions are based on feelings.✓
- The salesperson should try to use this technique only after other techniques 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.

The physical action technique✓✓

- The saying 'actions speak louder than words' can sometimes help a salesperson to close a deal once other techniques have failed, or the prospect is still indecisive.✓
- The salesperson does something physical to close the sale.✓
- In the case of a car or property sale, the salesperson can start to complete the purchase contract, by asking the prospect's personal information.
- If the prospect does not stop him, he/she continues writing down all other details and asks: 'Wouldn't you like to read through it before you sign?'
- When there is an awkward silence and the salesperson has said everything necessary and the prospect still does not react, it is not the right time to use the physical action technique.

Weighing advantages over disadvantages✓✓

- Make a list of the advantages and disadvantages of the product.✓
- If the advantages and disadvantages are compared, the salesperson can try to eliminate the disadvantages until only one is left.✓
- The salesperson must get the prospect to agree that this objection is the only problem preventing the close.
- The objection must now be overcome, and the sale closed.

The standing-room-only technique✓✓

- This technique makes use of man's natural tendencies to want what others have.✓
- It is against human nature to let an opportunity pass by.✓
- If the prospect hears that there is only one article left, or that it has been ordered, he/she will usually want it.
- This technique must only be used if this is the truth.
- It cannot be used to get rid of products that sell slowly or when many of the same product are in stock.

- It would be highly unethical of the salesperson to do so.
- This closing technique can be used with great success to get indecisive prospects to react but must be applied with great discretion and without acting unethically.

Any FIVE techniques, TWO marks for the technique, and ONE mark each for TWO explanations (Any 5 × 4) (20)

- 5.5
- Market potential refers to the total expected sales for a given product or service for the entire industry, in a specific market over a specific 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 × 2)

(4)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200