**Sales Management**

**December 2021 Examination**

# Q1. Design a Sales Process when your organization is intending to enter Kenyan Market (10 Marks)

#

# Ans 1.

# Introduction

For American investing groups to flourish in Kenya, they would need to gain good knowledge about the market before making their investment. This involves the process of figuring out how the market can be introduced to a product in the most beneficial way. Occasionally, U.S. corporations may become local agents or retailers of Kenyan companies if they discover that it can be an effective partnership. Additionally, licenses and franchises are also available for use on other channels in the neighborhood. It is essential to understand the logistics of the market in

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# Q2. How would you set up a sales organization (team) for a FMCG company setting up their operations and having headquartered in Mumbai? (10 Marks)

#

# Ans 2.

# Introduction

The short-moving consumer goods (FMCG) business is the fourth largest segment within the Indian financial system. Three essential additions can be found in this area: half of them are those belonging to the spouse, children, and other relatives, 31 percent are fitness services, and the balance of 19 percent is foods and beverages. FMCG companies in this town are responsible for 55% of the income received by the companies in the FMCG sector. Once again, the

# Q3. Read the case ‘Levis India offers – Jeans on EMI’ and respond to these questions. While answering questions you are free to make reasonable assumptions. Please state them clearly

# In June 2009, apparel manufacturer, Levis’ Strauss India Pvt Ltd offered to sell its well- known Levi’s jeans and other Levi’s products on equated monthly installments (EMI) payable through credit cards. Analysts viewed this as a bid by the company to increase sales against the backdrop of the economic downturn. The company planned to arrest its decline in sales through this innovative offer. Analysts felt that the offer was the first such in the branded apparel industry. On the launch of the scheme, Shumone Chatterjee. MD, Levi’s said – “it is for the first time that a brand is offering this kind of deal in India. EMI has proven good for several industries such as housing and white goods; therefore, I feel it will make a significant difference to the branded apparel industry as well”.

# The offer, launched as a pilot program, in Bangalore, was valid only for consumers who purchased products worth Rs 1500 and above. The consumers had to settle the bill in three instalments. The EMI’s were zero percent interest. Levi’s had entered a tie-up with ICICI Bank to offer this scheme. In return, the bank received service charges from Levi’s for each transaction.

# Levi’s is the Indian subsidiary of US based Levi Strauss and Co. It sells denims jeans under the brand Levi’s, a popular and aspirations brand of jeans in India. As of September

# 2009, Levi’s operated through 230 stores and 500 points of sales in nearly 200 cities.

# By launching the offer, the company planned to make the jeans affordable to consumers who aspired to own the brand. Chatterjee added, “Many aspire to own a Levi’s but the price can be a barrier. The EMI scheme makes it easier for the people to build the wardrobe with a premium brand like ours. The company felt that it could make customers spend more by easily making payments through installments. “the idea is to not only achieve high conversion rate (walk-in’s conversion into spending) but also enable our consumers to spend more and purchase higher-end denim through an easy mode of payment. If the EMI scheme works well in Bangalore, then we can unveil this nationally in a couple of months”.

# The company received a good response from customers. “ever since we introduced the ‘buy now, pay later’ scheme with interest of hidden charges in June, our sales have surged by 10-15 percent” said Mr. M Aaron, franchise manager, Levi’s. From June 2009 to August 2009, almost half the buyers who had an ICICI card used the EMI facility. “The average value of their purchase was 50% higher than those who didn’t use the EMI facility” added Chatterjee.

# Encouraged by the response received by the scheme, the company announced its plan to roll out the offer in eight cities other than Bangalore by mid-September 2009. These cities were Pune, Delhi, Ahmedabad, Chennai, Hyderabad, Kolkata, Mumbai and Chandigarh. The success of the program, prompted Levi’s to enter into tie-ups with other private banks such as HDFC Bank and Axis Bank. He criteria for usage of Axis Bank credit cards was that the bill amount had to be Rs 5000 and above.

# Some analysts felt that it was logical for the Levi’s to offer the scheme through credit cards since there was tremendous potential to be tapped in the Indian market, but they noted that the number of credit card holders in India was less than that of developed countries. According to a report by BankRate.com, only 28% of affluent Indians have credit cards, a fraction of the average around the world. As of 2006, credit cards accounted for just 1% of all purchased in India – one of the lowest percentages in the world

# The offer launched by Levi’s received a mixed response from Industry observers, customers and analysts. Customers appreciated the scheme offered by Levi’s. According to Roger, a customer, “it helps the consumers and the companies too. Recession has affected both the companies and the consumers, so it’s a win-win situation for both of them,”. However, the company maintained that the promotional technique was not a strategy to counter the effects of the economic downturn. The company said that it was aimed to tap the tremendous market potential offered by the organized retail market in India. As of August 2009, the Indian organized retail market was just 4-5 percent, out of which 20% accounted for apparel and lifestyle, thus offering scope for growth, according to Levi’s.

# According to Sanjay Lalbhai, CMD of Arvind Mills Ltd, “we have never offered such schemes and I don’t think it has been tried anywhere in the world, unless you have a very loyal customer base and are sure of their credit worthiness. It will be interesting to observe how they are doing it”. On the other hand, some experts felt that though this scheme might attract the masses to Levi’s initially, in the long run, it might lose some premium customers since the branded products would be affordable to most other sections of society.

# a. Critically analyze Levi’s offer to sell its Levi’s brand of jeans and other products on EMI (5 Marks)

# b. What was the overall objective of this plan? Do you think the company will succeed? (5 Marks)

# Ans 3a)

# Introduction

A bright marketing technique was chosen last year by Levi Strauss Pvt Ltd, an America-based company that produces accessories clothing for customers shopping for jeans and other gadgets. There are few strategies that have worked as well as Levi's gimmick marketing. There are a lot of

**Ans 3b)**

**Introduction**

Several hundred Levi stores will open the EMI carrier through mid-September in the most competitive 9 markets in India, adding more than 130 exclusive Levi stores to the list. It is very important that these cities in general, Delhi-NCR, Mumbai, Bangalore, Ahmedabad, Chandigarh, Chennai, Kolkata, Hyderabad, and Pune, be on the list of cities where this selection must be