

Selling & Negotiation Skills.

SNS 01

Roll No.

Marks: 60

Total No. of Questions: 7

Duration:

Total No. of Printed Pages: 3

Note: Question Number 7 is Compulsory

Answer any 5 from Question Number 1 to 6

All Questions carry equal marks (10 marks)

Q1. Briefly discuss the personal selling process. How would the sales process be in the case of -?

- (a) Household insurance
- (b) Surgical equipment

Q2. One of the important qualities of a negotiator is not being:

- a. Patient
- b. Knowledgeable
- c. Tactful
- d. Slow thinker

Discuss why it is important. Give suitable examples

Q3. (a) Explain AIDA model of selling

(b) What do you understand by BATNA

(c) What is SPIN selling? What types of questions are proposed in SPIN selling?

Q4. (a) When does Sale begin? Explain in detail the Selling Process.

(b) What are the objectives of Sales Training Programs? What are the dimensions of Job satisfaction? What factors shape the sales force morale?

Q5. Explain the following Body Metaphors

- To be on your toes
- To be stuck up
- To be up in arms
- To break a leg
- To count noses
- To foot the bill
- To have your tongue in cheek

Q6. What are Salespeople's Perceived Reasons for Failure and Their Motivational Impact? Explain Herzberg's Motivation-Hygiene Theory.

Q7. Read the case given below and answer the questions at the end of the case:

Volkswagen (VW), the first overseas carmaker in China, is the only foreign manufacturer to have been making a profit in China over the past years.

It all began in October 1984, when VW signed a joint venture agreement with China. One of the country's first major joint venture agreements, it involved several government authorities, including the Ministry of Foreign Trade and Cooperation (MOFTEC, now MoCom), the State Planning Commission, the State Economic Commission, the Ministry of Finance, the Bank of China (BOC), the Municipal Government of Shanghai, and the China National Automobile Industry Corporation (CNAIC).

A manufacturing facility was built in Shanghai, and VW's partners were Shanghai Tractor and Automobile Corporation (STAC), with a twenty-five percent share, as well as the BOC, Shanghai Trust and Consultant Company, and the CNAIC, which together had a twenty-five percent share.

In the beginning

Being first into China has proved lucrative for VW. In 1986, its first plant had a capacity of 30,000 vehicles; in 2003, there were two plants turning out 400,000 vehicles. Again in 1986, national car sales were less than 30,000; in 2002 they were 720,000, of which VW had a fifty-three percent share.

The company has achieved market leadership through product quality, reputation, and pricing; indeed, every Chinese knows VW. In terms of the potential of China as a car market, it is still early days. Since its entry into the WTO, the prices of imported cars have decreased significantly, but no other carmaker has yet been able to whittle away VW's competitive edge. In addition, plans are afoot to import VW's lower priced Skoda to China, to position the maker in the cheaper segments of the market.

VW was approached by the China National Technical Import Corporation in 1977, and in 1978 a Chinese delegation visited VW headquarters in Wolfsburg, Germany. The first VW delegation went to Beijing in 1979. So there were six years of negotiations, involving at least seven parties on the Chinese side, and major contracts were negotiated, including a joint venture contract, a technology transfer agreement, articles of association, supply agreements, and a planning agreement.

According to Heinz Bendlin, one of the original VW negotiators with China, even in the early days the Chinese behaved courteously. He has commented as follows:

"I learned in China that foreigners tend to have a typical mode of behaviour. They want to achieve results quickly, get answers to all their queries, and immediately come up with solutions to problems. But in China one has to be patient and be prepared to spend considerable time solving problems step by step, or *ibu ibu*, as the Chinese say. Setting deadlines or showing impatience leads to disadvantages in negotiations."

"The Chinese like to negotiate in rather large groups. Fairly frequently, three or four VW people negotiated with ten to twenty Chinese. However, typically only one would speak while the others took notes. They were all very disciplined."

"There were times when they would cultivate a friendship, seemingly to manipulate situations. Our Chinese partners also frequently asked us to explain matters several times. This was not a sign of insufficient professional knowledge on their part, but just a tactic, as are the meticulously organized extras during negotiations, such as banquets, toasts, and sightseeing."

"We should listen carefully to the Chinese. Never try to convince them by saying that only your products or plans are outstanding. Instead, explain the facts and figures as often as they require; explain why you believe yours is the best offer; and explain why you are asking for certain payments."

"Do not show that opinions are divided on a given topic within your team, and avoid discussions in front of them. They cannot understand such behaviour and will interpret this as a sign that you lack clarity about your concept."

"Try to take advantage of the Chinese way: Have a disciplined team, prepare carefully, speak as a team with one voice, and try to solve your problems during the breaks, or even ask for a break to avoid showing disharmony within your team on matters you are negotiating."

Questions

1. What is the cultural impact on negotiations?
2. Describe in your words VW's points as the key to success