

Srinivas Institute of Technology  
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05MBA MM311

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NEW SCHEME

Third Semester MBA Degree Examination, Dec.06/Jan. 07  
Business Administration  
Business Marketing

[Max. Marks: 100]

Time: 3 hrs.]

Note: Answer any FIVE questions including Question No. 8  
which is compulsory.

- 1 a. List the classification of Industrial products. (03 Marks)
- b. Explain the roles of buying centre. (07 Marks)
- c. Explain target market strategies. (10 Marks)
- 2 a. List the types of buying situations. (03 Marks)
- b. Explain the pricing objectives. (07 Marks)
- c. Explain Organizing of the sales force. (10 Marks)
- 3 a. What is meant by learning curve? (03 Marks)
- b. What are the functions performed by Industrial advertising? Explain. (07 Marks)
- c. Explain types of Industrial intermediaries. (10 Marks)
- 4 a. What is positioning? (03 Marks)
- b. Differentiate between Industrial and Consumer marketing. (07 Marks)
- c. Explain new product development process. (10 Marks)
- 5 a. List the aims of customer relationship management. (03 Marks)
- b. Bring out the differences between consumer and Industrial marketing research. (07 Marks)
- c. Explain the methods of evaluating supplier performance. (10 Marks)
- 6 a. Why Industrial customers buy from distributors? (03 Marks)
- b. Explain Industrial product life cycle strategies. (07 Marks)
- c. Briefly discuss the strategies for managing the business marketing environment. (10 Marks)
- 7 a. What is the role of E – commerce in Industrial marketing? (03 Marks)
- b. How do you evaluate channel members? (07 Marks)
- c. Explain the methods of pricing new products. (10 Marks)

8 **CASE STUDY:**

There was a government tender for the supply of a boiler for a thermal power plant to be started by NTPC. Two companies were short listed. One was ACC Babcock (old name) and the other was BHEL. While ACC Babcock had quoted in the tender for just the supply of the boiler, BHEL had quoted for the entire Project including civil works, Electrical works, Plumbing works along with the supply of the boiler. But BHEL's price was 30% higher. In spite of the higher price BHEL got the order.

- a. What was the theoretical reason for BHEL being able to get the order? (05 Marks)
- b. Industrial buying process, particularly using tenders vary on a case to case basis. Explain. (05 Marks)
- c. How important is branding in Industrial marketing. (05 Marks)
- d. What strategies ACC Babcock should adopt in the future to avoid such circumstances. (05 Marks)

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NEW SCHEME

Third Semester MBA Degree Examination, July 2007  
Business Administration  
Business Marketing

Time: 3 hrs.]

[Max. Marks: 100

Note : 1. Answer any FOUR full questions, from Q-1 to Q-7.  
2. Q-8 is compulsory.

- 1
  - a. What is the relevance of a specialized branch of study called business marketing? (03 Marks)
  - b. Give an account of the classification of business goods with its marketing implications. (07 Marks)
  - c. How the government can influence the industrial marketing environment? Explain. (10 Marks)
- 2
  - a. Illustrate with an example, why an industrial demand is called derived demand. (03 Marks)
  - b. Explain "value analysis" as developed by general electric. (07 Marks)
  - c. Explain the strategies for managing the industrial marketing environment. (10 Marks)
- 3
  - a. What is system marketing? (03 Marks)
  - b. Briefly explain various conflict resolution strategies. (07 Marks)
  - c. Briefly explain the strategic planning process in industrial marketing. (10 Marks)
- 4
  - a. What are the different types of industrial products? (03 Marks)
  - b. Briefly explain the target marketing process. (07 Marks)
  - c. What are the essentials and benefits of 'CRM' in industrial marketing? (10 Marks)
- 5
  - a. What are the ways to maintain indirect channel effectiveness? (03 Marks)
  - b. Why do you use distributors in industrial marketing? (07 Marks)
  - c. Briefly discuss various tasks of physical distribution process. (10 Marks)
- 6
  - a. What are the conditions favorable for price penetration strategy? (03 Marks)
  - b. Briefly explain the factors influencing the pricing strategies. (07 Marks)
  - c. Briefly discuss the methods used in industrial marketing for business promotion. (10 Marks)
- 7
  - a. What are the uses of advertising in industrial market? (03 Marks)
  - b. "Marketing is marketing – No matter what the product is..... a marketing person can move product in any part of the market place". Comment (07 Marks)
  - c. Briefly explain the important elements of e-commerce and also discuss the benefits of e-commerce in business marketing. (10 Marks)

8 Case Study :

**Behavioural diversity of university**

Boregowda put aside the magazine he was browsing through, sitting in the Bangalore-Mysore Kaveri express, looked at his watch and asked the gentlemen seated by his side "How long will it take to reach Mysore?" "We have reached Mandya. It would take nearly an hour more. It seems you are traveling to Mysore for the first time?" "Yes" replied Gowda. They introduced themselves to each other.

Boregowda joined the Bangalore based office-tech, a firm dealing in office automation products namely computers, Xerox machines etc., as sales executive trainee recently. He is going to Mysore to sell his products to the university departments. Since the gentlemen seated next to him was a professor in an engineering college in Mysore, Gowda switched over discussion to his immediate problem as to how to deal with the university people. The professor explained "from my experience in dealing with these people, I can tell you for certain that, you can't have any uniform approach. As far as the organizational environment and behaviour are concerned, no two university departments are similar, although they are governed by the same policies, rules and regulations. You may find some departments stagnating, some perhaps even languishing and some others in between these. Some do not fully utilize whatever budget allocation is there for them, while the dynamic ones not only fully utilize their budget allocations and get the budget enhanced in future, but also augment their funds through various sources like Government, International agencies, Corporate contributions, Internal generations etc.,

- There are department heads who are able and dynamic ; some of them are a bit autocratic.
- Some heads, although not very able, have a favorable disposition and are keenly interested in the development of the department. They identify the capabilities of their colleagues and put them to the development of the department.
- Certain heads are inefficient and/or passive. In some such cases, the colleagues who are earnestly interested in the development of the department take the initiative and let the papers and things moved by heads. Needless to say, it can happen only if the head has a positive attitude. Some environments are really tragic. The head does not tolerate initiative by others.
- The office staff also plays a significant rôle in many cases' professor concluded as the train reached Mysore.

"So it is a wonderful world of more diversity than unity" exclaimed Gowda.

"Mr. Gowda, you have just entered this profession, you will soon realize that the world of marketing is wonderful and perplexing with many many strange things. Wish you all the best" said the professor, shaking hands with Gowda and getting ready to step out of the train. In the backdrop of this, answer the following questions :

- a. Make a behavioural segmentation of the university departments. (05 Marks)
- b. Identify the buying centers at various phases of purchase. (05 Marks)
- c. Identify the buying roles. (05 Marks)
- d. Outline the selling strategy for any of the university departments. (05 Marks)



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**Third Semester MBA Degree Examination, Dec. 07 / Jan. 08**  
**Business Marketing**

Time: 3 hrs.

Max. Marks:100

**Note : 1. Answer any FIVE full questions.**  
**2. Question No. 8 is compulsory.**

1. a. What are functional isolation and functional conflict? (03 Marks)  
b. What are the different areas of sales training areas required industrial marketing process? (07 Marks)  
c. Marketing to industrial firms is enhanced through understanding the value analysis. Do you agree? If yes, explain the procedure and if no why? (10 Marks)
2. a. What is indirect and direct distribution? (03 Marks)  
b. Explain how industrial and consumer market research differ each other? (07 Marks)  
c. What are the bases for segmenting of industrial markets? Discuss. (10 Marks)
3. a. What is directory advertising? (03 Marks)  
b. What is the role of marketing in strategic planning process industrial marketing? (07 Marks)  
c. What are the factors that influence the pricing strategies in the industrial markets? Discuss. (10 Marks)
4. a. What is product evaluation matrix? (03 Marks)  
b. What are the various methods of evaluating supplier performance? (07 Marks)  
c. What are the different areas of advertising evaluation? Explain. (10 Marks)
5. a. What are the different levels of industrial marketing environment? (03 Marks)  
b. What is an industrial product? What are its properties? (07 Marks)  
c. What are the factors to be considered in the choice of right distributors? Explain. (10 Marks)
6. a. What is derived demand and joint demand? (03 Marks)  
b. What are the criteria for selecting the mode of transportation? (07 Marks)  
c. What are the marketing strategies over various buying situations and phases? Discuss. (10 Marks)
7. a. What is interactive cost? (03 Marks)  
b. How does government purchasing differ from purchasing by commercial organization? (07 Marks)  
c. What are the various pricing policies for the business markets? Discuss. (10 Marks)

**CASE STUDY :**

GE is an amazingly large company made up of 11 major divisions that operate in areas as diverse as home appliances, jet engines, security systems, wind turbines, and financial services. The company is so large (2003 revenues of \$134 billion) that even if each of its 11 business units were ranked separately, all would appear on the *Fortune* 500 list. If GE were its own country, it would be one of the 50 largest and would rank ahead of Finland, Israel, and Ireland. GE became the acknowledged pioneer in business-to-business marketing in the 1950s and 1960s. Back then, GE's tagline was "Live Better Electrically." As the company diversified its product lines, it created new campaigns, including "Progress for People" and "We bring good things to life."

In 2003, the company faced a new challenge: how to promote its brand globally with a unified message. GE launched a major new campaign, "Imagination at Work," which earned it the 2003 B2B Best Award for a top integrated campaign. The purpose of the campaign was not simply to create warm feelings for the company, but to achieve real business results. The campaign promoted GE's B2B units such as GE Aircraft Engines, GE Medical Systems, and GE Plastics. The goal was to unify these divisions under the GE brand while giving them a voice. The new campaign highlights the breadth of GE's product offerings.

GE spends some \$150 million on corporate advertising—a large sum, but a sum that gains efficiencies by focusing on the core GE brand. The challenge with creating a unified message was that each GE business had to fit with that brand image. GE chose "Imagination at Work" because it portrayed the innovation inherent in all its wide-ranging products.

The new integrated campaign got results. "Research indicates GE is now being associated with attributes such as being high-tech, leading-edge, innovative, contemporary and creative," said Judy Hu, GE's general manager for global advertising and branding. Just as encouraging, market research found that respondents still associate GE with some of its traditional attributes, such as being trustworthy and reliable.

"We believe Imagination at Work has proven to be a strong global message for us," said GE's chief marketing officer Beth Comstock. "Our goal is to be more present around the world and more consistent. To do it more broadly and faster. Going forward, you'll see medical and health care as the face of GE."

While the campaign unites all the GE business units, GE's success rests on its ability to understand the business market and the business buying process. GE puts itself in the shoes of its business customers. Consider, for example, its approach to pricing its aircraft engines. One would expect GE to charge a particular price for a particular engine type. But GE is aware that for the customer, purchasing an aircraft engine is multimillion-dollar expenditure (\$21 million for each large engine). And the expenditure doesn't end with the purchase of the engine—customers (airlines) face substantial maintenance costs to meet FAA guidelines and ensure the reliability of engines. So in 1999, GE pioneered a new pricing option. The concept, called "Power by the Hour," gives its customers an opportunity to pay a fixed fee each time they run the engine. In return, GE performs all of the maintenance and guarantees the reliability of the engine. GE gives its customers a lower cost of ownership of the GE aircraft engine.

Business buyers value this option because it shifts risk away from them. In times of uncertain air travel, buying new jet engines for new airliners is a major financial risk. "Power by the Hour" lets the airlines pay only when they use the engine. Moreover, airlines do not have to worry about unexpected high maintenance costs. Buyers are assured a low, predictable cost of ownership through the preset pricing.

This kind of B2B savvy has helped GE cement its top position in the *Financial Times* World's Most Respected Companies survey. Chief executives from 20 countries have given GE the top spot in the survey for 6 years.

GE's understanding of the business markets, its way of doing business, and its brand marketing have kept GE's brand equity growing. Indeed, its brand equity was valued at \$53.6 billion by Core brand in the fourth quarter of 2003. "The GE brand is what connects us all and makes us so much better than the parts," Chief Marketing Officer Comstock said.

**Questions:**

1. What are the key success factors for GE?
2. Where is GE vulnerable? What should it watch out for?
3. What recommendations would you make to senior marketing executives going forward?
4. What should they be sure to do with its marketing?



## 8 CASE STUDY :

Saragam Aluminium Limited (SAL) had invested Rs. 10 crore for manufacturing and marketing of Aluminium extruded products. Saragam Aluminium pricing objectives were derived from the corporate and marketing objectives, which included (a) Achieving long term profits and (b) Maximising sales volume and market share respectively. The pricing objective as stated by Mr. Krishna Kumar was to achieve market penetration through low initial price strategy. He justified a low initial pricing strategy to the Management by pointing out several market survey findings and these included : i) Various customer segments were medium to high levels of price sensitive ii) Competition was severe from primary and secondary manufacturers and iii) As the production and sales volume increase, the unit cost will come down leading to achievement of long term corporate and marketing objectives.

On receiving the recommendation from Mr. Krishna Kumar, the managing director called a meeting of key executives like works manager and financial controller to decide on pricing strategy. In the meeting the financial controller argued in favor of “Skimming Strategy” through initial high price, which would give advantage of recovering the investment sooner by generating larger profits.

The works manager said that the workers and production supervisors were now to the Extrusion Technology and the concept of learning curve will be applicable, in terms of decline in cost per unit, after accumulated experience of production over a period of 6 to 12 months.

The Finance Manager pointed out that the break – even – volume was estimated at 350 tons of production and sales per month and wanted to know when would it be achieved. The Managing director intervened to observe that all these points were important, but it was necessary to take a decision on the company’s pricing strategy and policy immediately to enable Mr. Krishna Kumar to plan Marketing efforts.

### Questions :

- a. Identify the problem involved in the case. (05 Marks)
- b. According to works manager, learning curve will be applicable, what it means? Explain the concept. (05 Marks)
- c. If you were the M.D of the company, what would be your pricing decision? (10 Marks)

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**Third Semester MBA Degree Examination, Dec.09-Jan.10**  
**Business Marketing**

Time: 3 hrs.

Max. Marks:100

**Note: 1. Answer any FOUR full questions from Q1 to Q7.**  
**2. Question No. 8 is compulsory.**

- 1 a. Define business marketing. (03 Marks)  
b. Explain buying center concept. (07 Marks)  
c. Briefly discuss the differences between the industrial and consumer markets. (10 Marks)
- 2 a. Define industrial product. (03 Marks)  
b. Explain the distribution channel characteristics of industrial and consumer markets. (07 Marks)  
c. Explain industrial product life cycle strategies. (10 Marks)
- 3 a. What is skimming strategy of pricing? (03 Marks)  
b. Discuss derived demand with examples. (07 Marks)  
c. Briefly discuss the perceptual mapping technique. (10 Marks)
- 4 a. Mention the industrial customers. (03 Marks)  
b. What are the attributes to choose an industrial distributor. (07 Marks)  
c. Explain Webster and wind model of organizational buying behaviour. (10 Marks)
- 5 a. What is purchase objective? (03 Marks)  
b. Explain conflict resolution in decision making. (07 Marks)  
c. Explain segmentation, targeting and positioning of industrial products. (10 Marks)
- 6 a. What is learning curve? (03 Marks)  
b. Explain evaluation of channel member. (07 Marks)  
c. Industrial products require personal selling than advertisements. Discuss. (10 Marks)
- 7 a. Mention uses of 'Trade Shows' in promotion of industrial products. (03 Marks)  
b. Explain the reasons why industrial customers buy from the industrial distributors. (07 Marks)  
c. Explain the marketing strategies for the existing products. (10 Marks)

**8 CASE STUDY :**

Excellent Roller Ltd, Bangalore are the famous rubber roller manufacturers in India. They got into a technical collaboration with a famous German firm to manufacture new, durable and expensive "Teflon" rollers. These are used in coating and printing machines. Rubber rollers are prone to damages compared to the Teflon rollers.

ERL is planning to launch the product using advertisements.

Answer the following questions :

- a. Do you agree for the advertisement campaign for an Industrial product? If so, why? (05 Marks)
- b. What are the ways in which ERL can advertise? (05 Marks)
- c. What are the alternate methods? (05 Marks)
- d. Industrial products need more personal selling. How do you defend advertisements. (05 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.  
2. Any revealing of identification, appeal to evaluator and /or equations written / 42+8 = 50, will be treated as malpractice.

