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School of Business

Master of Business Administration MBA Dual Specialization
Mid Term Examination - Mar 2024

Duration : 90 Minutes
Max Marks : 50

Sem IV - MBMK6007 - B2B Marketing

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) 'If you are not thinking of segments, you are not thinking at all for marketing your products' - Levit Justify on the statement K5 (5)
- 2) Mr. Sumit was the Regional Marketing Manager - Western region of Kothari Engineering Ltd. for managing sales of different types of fans-ceiling, table, and pedestal fans to consumer market. Recently he has been transferred to Kolkata as Regional Marketing Manager - Eastern region for managing sales of LT power transformers to industrial customers. Sumit was reluctant to shift from consumer marketing to B2B marketing due to certain challenges. Identify the challenges that Mr Sumit is expected to face in the B2B marketing. K3 (6)
- 3) MTR Foods Private Limited, which manufactures and markets a range of food products, such as snacks, masala powder, pure spices, sweets, ready-to-eat curries, and so on, have members of buying center consisting of production officer, quality officer, purchase officer. purchase manager and finance manager. In situations, where the purchase value is high, vice-president (finance) and vice-president (SCM i.e, Supply Chain Management) are involved in negotiations with suppliers. Most important attributes considered by the buying center of MTR Foods Private Limited while making buying decisions are - Quality of the product, Price of the product, On-time delivery K4 (8)

Analyse the above case and answer the following questions:

1. Identify the role of each member of the buying center? (4 marks)
2. Do you think, there should be any additional criteria? Justify your answer. (4 marks)

- 4) ABC Foods Ltd. is a multinational manufacturing company seeking to purchase new food packaging machine for its production facility. The company's decision-making process involves multiple stakeholders, including production managers, engineers, and procurement officers. They are evaluating different suppliers based on quality, price, and after-sales support. Apply the stages of the business buyer decision-making process to ABC Foods Ltd.'s machinery purchase. How a food packaging manufacturer can influence the decision making of each stage of the decision making process.. K3 (9)
- 5) Maruti Suzuki India Ltd. Service centers want to procure engine oil for its passenger cars. Some of the suppliers are Castrol, Indian Oil, etc. Maruti seeks your expert help in evaluating these suppliers. Recommend a system/technique to evaluate supplier. K5 (10)
- 6) Suresh Babu, the proprietor of Vani Agencies was confused about the issue of maintaining good relationships with his business customers at the cost of strained relationships with the suppliers of machines and equipment. K6 (12)

Vani Agencies were the authorized dealers of various industrial products such as wood working machines, grinding, drilling and welding machines; power tools, air-compressors; and so on. These products were supplied by reputed manufacturers (suppliers) like Bosch, Hitachi, AEG-Atlas, Ralliwolf, and so on. These suppliers gave a credit of 15 days to Vani Agencies. However, Vani Agencies offered the products to its customers at credit periods of 30 days to 160 days, in order to attract and retain customers. Suresh Babu, who started the agency in 2001 in Bangalore, had 165 business customers in a 5-year period, including some large firms such as Bharat Heavy Engineering Limited (BHEL), Hindustan Aeronautics Ltd. (HAL), Bharat Electronics Ltd (BEL), and Ashok Leyland. These major customers accounted for 65 percent of total sales of Vani Agencies. The balance 35 percent sales were from small-scale customers. Some of the small-scale customers, to whom credit was extended by the salespersons of Vani Agencies, closed their factories and went out of business. This resulted in write-off of bad debts of Rs 2,00,000 to Rs. 3,00,000 every year from 2004 to 2006.

Sometimes customers asked for replacements of equipment and machines, which were malfunctioning as the customers did not follow the operating instructions. In order to maintain good relationship with customers, Vani Agencies took back such products for replacement, but the suppliers (or manufacturers) expressed their dissatisfaction for such frequent replacements. In a few cases, when the suppliers refused free replacements, the agency had to replace the goods at its cost.

Suresh Babu was not sure whether he should take a tough stand with his customers. He thought for getting business from his customers, he should maintain good customer relationships by giving more credit as well as good customer service. However, this policy had resulted in strained relationships with the suppliers.

On the basis of the above case, answer the following question:

1. Do you think Suresh Babu was right in his approach to deal with the business buyers?

2. Design a B2B marketing strategy for Vani agency after identifying the purchasing orientation of the buying firm.