

PGDM (IB), 2018-20
Business to Business Marketing
IB-413

Trimester – IV, End-Term Examination: September 2019

Time allowed: 2 Hours-30 min.

Max. Marks: 50

Roll No: _____

Instruction: Students are required to write their Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. In case of rough work please use the answer sheet.

Note: There are 2 sections in this paper. Answer briefly and to the point.

Section A: Answer 3 Questions from this section (10 marks each)

Q. A1.a Using the 4 P framework, identify and explain the differences between B2B and B2C Marketing. What do you think are the key variables that impact the B2B transactions as well as the relationships between buyers and sellers. Name one company that has understood and exploited its understanding of the differences with an illustration of this assessment. CILO 1. While Business to Business Marketing shares several characteristics with Business to Consumer Marketing, there are distinct differences in the Creation, Servicing and Retention of Customers

OR

Q. A1.b Chart the progress of a company that you know of that has employed a good understanding of at least one of the key differences between B2B and B2C success variables to establish market leadership in its industry. Why is it that many companies fail to see the differences let alone act on them? CILO 1. While Business to Business Marketing shares several characteristics with Business to Consumer Marketing, there are distinct differences in the Creation, Servicing and Retention of Customers.

Q. A2.a While Marketing is associated with the creation of Customers, most \ marketing professionals, believe that their role is largely a promotional one. Make a case for the absolute need for marketing executives to develop and retain a sound technical and usage related understanding of the products and service that they market. Cite a few companies who ensure that their personnel are provided the induction and training to ensure this. CILO 2. Robust Product and Service knowledge is an imperative in the successful pursuit of the field which the Course and its treatment has as a major focus.

OR

Q. A2.b The School bus business is in the B2B domain. What should be the approach to Marketing in this important and growing segment. In what way is this group of products different from buses which are used for Public transport. What are the factors covering product and service that will make a critical difference to acquiring and retaining major market share. CILO 2. Robust Product and Service knowledge is an imperative in the successful pursuit of the field which the Course and its treatment has as a major focus.

Q. A3.a If a company wishes to set up a corporate establishment in a foreign country covering Manufacturing, Marketing and Finance, what should be the factors involved in Recruiting, Training and Retention of its employees who will work there. Would these factors be the same for the U.S and China? Mention and discuss some key differences that should be recognized and worked on. You should also mention those that will be the same in both countries. CILO 3 Businesses have several universal characteristics which Marketers can and should exploit, there are distinct differences in Domestic and International Markets which the practitioner should be aware of and develop capabilities relevant to these.

OR

Q. A3.b Where (which countries) do you think offer the greatest opportunities for India to do International Business and why? What are our country's key strengths that can be and should be exploited to achieve sustained competitive success? What are the factors that could be seen as weakness/areas for improvement. Provide a of examples of firms that have been successful and the reasons for the same. CILO3 While Businesses have several universal characteristics which Marketers can and should exploit, there are distinct differences in Domestic and International Markets which the practitioner should be aware of and develop capabilities relevant to these.

Section B (Compulsory Case Study, 20 Marks)

Read the following Case and answer both the questions given below

Great Progress In Precise Movements

The company which was registered in New Delhi, has its manufacturing facilities in Noida Uttar Pradesh, a much favoured location because of its superior infrastructure and business friendly policies. Set up in 1991 as a mass marketer of Watches in 1991, Timex Watches quickly built its Sales to 2.5 Mn units per year with an appropriate dual positioning of a Fashion accessory and a Wrist Instrument, both of which found favour with the Indian Customer.

While the firm had both the larger public as well as Industrial buyers as its customers, the focus was on delivering high quality products at competitive prices, backed by exemplary After Sales Service which ensured prompt and effective addressal of Customer complaints free of empty slogans like Customer Relations Management and Customer Delight.

While reviewing the larger manufacturing infrastructure in 1993, the senior management realised the firm had a large tool room facility with several high precision machines which were substantially under utilised. On taking this up with the promoter company, Timex U.S.A. they were informed that this was part of a policy to ensure complete captive capacity and capability to repair and maintain the various precision tooling required for watch making and assembly. On pointing out the large spare capacity available, they were advised to be thankful for this and not to expect any input or changes in the infrastructure. To the Timex India team, this was extremely unsatisfactory, since the company was constantly seeking ways to improve capacity utilisation of all facilities and seek opportunities to improve profitability(It was a matter of pride that the company had earned profit in the very first year of operation and the only way ahead was forward and up.

- Following discussions with the head of the Tool Room, the Senior Vice President Operations and the C.E.O. a two pronged approach, was developed for leveraging the company facilities and Improving profit. The first was to progressively design, develop and build precision tools for captive consumption, which hitherto had come from a high cost/long lead time source. While the initial efforts were met with scepticism and lack of financial support(the U.S. parent insisted that orders from the existing source continue and the cost of developing tools were to be borne totally by the Indian venture), it soon became clear that Timex India could design and manufacture tools of high quality at a fraction of the price currently charged by the foreign associate. By the year 1995, all precision tooling for the Indian Subsidiary would henceforth be sourced captively. This itself produced a cost saving of Rs. 2 Crores a year which would increase as the firm's activity progressively increased including gaining progressively high market share in the organised Indian watch market(It is to be noted that while Titan, Timex dominated the branded space, the majority of watches sold in India came from the unorganised sector including Watch assemblers, and smuggled cheap fare claiming 2/3 of the total market for watches).

Taking the major Plunge: With all of the activity described earlier, the capacity utilisation of the precision tool room was still quite low(30%). The management team pondered on this and the head of the precision facility, made this brilliant suggestion. "Let us participate in the forthcoming precision tool exhibition/fair to be held in Mumbai, in a few months. We will take a stall and exhibit tools that have been designed and built by us and the costs attached. A set of write ups could be created, put up for display and made available to interested parties through an attractive and informative brochure". This suggestion was approved and the company started on its brilliant journey towards a major share in the precision tools market in India.

The outcome from Timex's participation in the precision tools fair was that the company got orders from large companies including Godrej Appliances and Motherson Sumi, an ambitious precision tool entrepreneur. Moreover great interest was also evinced from suppliers of drip irrigation systems which were increasing becoming popular in the country where most agricultural activity was increasingly being constrained by acute shortages of water for Irrigation.

It is to be noted that most of the precision tooling that the company designed and produced was finally marketed under the name of the companies mentioned above. For instance, Motherson Sumi to quote just one example would take orders for precision tooling from its customers and pass the whole job of designing, and building the tooling to Timex. When this was successfully executed and handed over to Motherson, the same would be delivered with much fanfare and high profit to the end user customer. It transpired that in spite of this arrangement, Timex was earning substantial profit with a 85% margin over its costs. It looked not only like a marriage made in heaven between buyer and seller, but it brought justifiable pride to the company which soon became the No. 1 Precision tool maker in the Northern part of the country.

Q.1 Make an assessment of the approach to B2B marketing that the company adopted first with regard to its Parent Company and subsequently the larger market for precision tooling. In your view did it bring optimal results. If yes, according to you why? And if no, why not?
(10 Marks)

Q.2 You would have noticed that the complete scheme was thought through and developed without the involvement of the Company's regular Marketing team. Can you provide explanation and justification for this? Had they been involved, do you think that such spectacular results would have been achieved.? Support your argument with valid Marketing concepts.
(10 Marks)