

PGDM (2018-20)
BUSINESS TO BUSINESS MARKETING - DM 532
Trimester V, End Term Examination: December 2019

Time Allowed: 2 Hrs 30 Min

Roll No: _____

Max Marks: 50

Instructions: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. All other instructions on the reverse of Admit Card should be followed meticulously.

Section A (3 x 10 = 30 Marks)

All three (3) questions below have 2 options. Attempt one option from each question.

1. Differentiate between B2B & B2C Markets with respect to the scale of business, buyer behavior, decision making & distribution strategy. (CILO 1)

OR

How are Industrial good classified? Explain giving their broad categories. (CILO 1)

2. Commercial & government purchaser markets have unique characteristics. Would you be employing a single marketing strategy for both the markets? Explain your answer. (CILO 2)

OR

There are 3 main constituents of an "Industrial Marketing Environment". Please provide a brief description of all 3 and explain giving example how they affect the Industrial firm. (CILO 2)

3. Government transcends the industrial marketing environment. In performing its various functions, government enables & facilitates, but also hampers the industrial action. (a) Explain the statement in detail and (b) what would in your opinion will be the key marketing strategy constituents in a government influenced market. (CILO 3)

OR

What are the Phases in the Purchasing decision process of an industrial firm? Please describe each stage briefly giving a suitable example. (CILO 3)

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SECTION B (10 + 10 =20 Marks)

Read the following case study and answer both the questions that follow:
Case Study: KYT Inc: Entering the India Market

KYT FORAY INTO INDIA MARKET

KYT Inc., established in 2002 is a leading 3D measurement-based optical inspection equipment manufacturer. They are used for optical inspection of quality control and process optimization in printed circuit board (PCB) assembly, semiconductor and machining process manufacturing. It is headquartered in Seoul, Korea, having its sales and support offices in Germany, Japan, Singapore, China, and the United States. In addition, it has a global network of over 35 distributors worldwide including India to support its customers. The company now actively considering whether to open its own office in India or not.

Company's leading products are SPI (Solder Paste Inspection system) and AOI (Automatic Optical Inspection) which are used extensively in PCB assembly. Other products like Semiconductor Inspection & Machining optical inspection systems are for upcoming markets. For SPI systems, they are No 1 supplier throughout the world for last 11 years having over 47% worldwide market share. For both SPI & AOI, they have WW 28% market share and have over 2000+ customers. Their main customers in mobile industry are Samsung, LG, Apple, Oppo, Vivo, etc. and for CE appliances like LED, LCD TV, LED lighting system they are leading suppliers to Korean Samsung & LG companies and many Chinese manufacturers. Additionally many top LED manufacturers are using their equipment's. They also have a leading presence in Automotive, EMS (Electronics manufacturing services) Telecommunication and Defense industries & now entering aerospace and medical electronics. The SPI & AOI machines by KYT provide high accuracy precise inspection taking 3D pictures, unlike the traditional cameras and capture the height of the solder paste or component. Their camera technology, software expertise & Industry 4.0 features make them unique against competitors. Main competitors are Mirtec Ltd, Parmi Corp, Pemtron, TRI, Jet Technology, Viscom AG and VI Technology are a few of their main competitors.

The worldwide market for Solder Paste Inspection (SPI) System is expected to grow at a CAGR of roughly 2.6% over the next five years to reach 270 million US\$ in 2024, from 240 million US\$ in 2019. It is observed that up to 70% of the solder joint defects in a PCB assembly are because of improper solder paste printing. It is also observed that by using an SPI & AOI, all these errors be resolved.

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The local Indian electronics hardware production is also growing. It has increased from INR 1,90,366 crore in 2014-15 to INR 3,87,525 crore (approximately USD 59 billion) in 2017-18, a CAGR growth of 26.7%. The share of domestic electronics production in India's GDP is 2.3%. The import of electronic goods was around USD 53 billion (approximately INR 3,44,500 crore) in 2017-18. It is expected to touch USD 400 billion (approximately INR 26,00,000 crore) by 2025. This is both an opportunity and a challenge for the electronics sector.

In Electronics hardware production in India, Mobile Handsets, LCD/ LED TVs & LED products are main sectors which are experiencing growth and investment. The production of LCD/ LED TVs has gone up from 0.87 crore units in 2014-15 to 1.6 crore units in 2017-18. LED Products production has gone up from INR 2,172 crore in 2014-15 to INR 9,630 crore in 2017-18. Cellular mobile handsets manufacturing has emerged as a flagship sector in the electronics manufacturing space. In 2017-18, the production of Cellular mobile handsets reached approximately INR 1,32,000 crore (225 million or 22.5 crore handsets) as against 60 million units in 2014-15.

It is estimated that the Indian market for PCB assembly is increasing keeping in view the government focus on "Make In India" campaign with some research companies suggesting a market potential for over 400 optical inspection machines annually. In last 3-4 years, over 260 manufacturing units for cellular mobile handsets and their parts/ components have been set up in the country. Additionally, a start-up eco-system is emerging for 5G, IoT, Artificial Intelligence, Machine Learning, Drones, Robotics, Additive Manufacturing, Photonics, Nano-based devices etc. However, the government currently is not able to catch up the much needed supply chain eco system of components required for the electronics industry to the scale required. This may hamper the electronics hardware manufacturing activity.

1. With the above background, what will be your recommended marketing strategy for introduction of KYT company in India. What would be the market segmentation that you would like to address to help the entry and scaling of KYT India business? Give reasons. (CILO 1,2,3)
2. In continuation to your recommendation from above question, please also indicate what will be your suggestion for the distribution strategy to be adopted India? (CILO 1,2,3)
