



Internal Assessment Test - 3

Sub: B2B Marketing Management

Code: 20MBAMM401

Date: 01/08/2022

Duration: 90 mins

Max Marks: 50

Sem: IV

Branch: MBA

OBE

Marks CO RBT

Part A -Answer Any Two Full Questions (20*02=40 Marks)				
1(a)	What do you mean by KAM?	[03]	CO4	L1
	<p>A <b>key account</b> can be considered one of your company's most valuable customers. These customers represent a disproportionate percentage of your revenue, refer new prospects to your company, give you credibility in their space - or all of the above. Key account management (KAM) is the process of planning and managing a mutually beneficial partnership between an organization and its most important customers. Key accounts are significant to an organization's sustainable, long-term growth and require a substantial investment of both time and resources.</p>			
(b)	Explain what is customer portfolio and its importance in B2B context.	[07]	CO4	L2
	<p>The most important stakeholder in a business is the customer, also known as the client. As such, maintaining a portfolio of clients is vital for any business. But what is a client portfolio?</p> <p>A client portfolio, also known as a customer portfolio, is a document that details the various customer groups that a company does business with. Essentially, it is a tool that helps companies maintain strong relationships with and keep track of their customers. This client portfolio meaning confirms the importance of customer relationships. Businesses must understand and relate to their customers to enhance trust and improve customer experience.</p> <p>A customer portfolio is a collection of customer groups that encompasses the company's customer base. It helps the business understand the behavior, needs, and demands of its clients, or customers. Accordingly, firms categorize their customers into groups depending on their needs and the nature of their relationship. By classifying their customers in this way, businesses can understand the importance of each client, subject to sales and profit goals. Consequently, customer categorization helps companies create additional value for their most important customers, thus facilitating customer retention.</p>			
(c)	Explain the 3C's of pricing decisions.	[10]	CO4	L2

**PRICE DETERMINANTS OR FACTORS  
INFLUENCING PRICING DECISIONS**

(i) Pricing objectives, (ii) customer analysis, (iii) cost analysis, (iv) competitive analysis, (v) Govt. policies.

**1. Pricing Objectives**

- Are derived from corporate and marketing objectives.
- Some of the pricing objectives are survival, maximum short – term profits, maximum short – term sales, maximum sales growth, product quality leadership, etc.



	<p><b><u>PRICE DETERMINANTS OR FACTORS INFLUENCING PRICING DECISIONS</u></b></p> <p>(i) Pricing objectives, (ii) customer analysis, (iii) cost analysis, (iv) competitive analysis, (v) Govt. policies.</p> <p><b><u>1. Pricing Objectives</u></b></p> <ul style="list-style-type: none"> <li>○ Are derived from corporate and marketing objectives.</li> <li>○ Some of the pricing objectives are survival, maximum short – term profits, maximum short – term sales, maximum sales growth, product quality leadership, etc.</li> </ul>			
2(a)	What do you understand by value-based selling?	[03]	CO3	L1
	Value-based selling is the term for the overarching process of presenting your product or service in terms of the value it creates for customers. Value-added selling is the specific selling process during which the salesperson takes steps to provide customers with value at every stage of the selling process.			
(b)	Discuss the need and importance of B2B branding.	[07]	CO3	L2
	<p>B2B businesses can benefit greatly from a strong brand. A strong B2B brand:</p> <ul style="list-style-type: none"> <li>• ensures your brand stands out and cuts-through in its category – it gives customers a reason to choose your brand over competitors</li> <li>• creates customers with a predisposition towards your brand, and an increased willingness to try it</li> <li>• shortens the sales cycle</li> <li>• enables your brand to charge and sustain a price premium</li> <li>• enables your brand to build trust with its key stakeholders – customers, employees, shareholders, distributors.</li> </ul>			
(c)	Explain key account management and the comparison of transactional and relational focus characteristics.	[10]	CO4	L2

## Introduction to Key Account Management

Comparison of characteristics of transactional and relational Focus

Transactional Focus	Relational Focus
Single sale	Lifetime value of a customer
Product Features	Customer satisfaction
Tactical promotional campaign	Strategic marketing
Short term reward structure	Varied reward structure
Contact with customer only during sale	Continuous customer contact
Limited point of contact/influence	Contact & influence from board room to shop floor
Salesperson guards his access to customer	Team approach to inter company communication
Limited commitment	Extensive commitment
Quality policed by QC(quality control)	Quality –by whole team/organisation

3(a)	What is skimming pricing strategy?	[03]	CO4	L1
	<p>Skimming Strategy is appropriate for a new product that is distinct, high-tech, or capital intensive, and purchased by a market segment that is not sensitive to the initial high price.</p> <p>The advantage is faster recovery of investment by generating larger profits. The disadvantage is that it attracts competitors due to high profits. The firm reduces prices after some time to reach other segments.</p>			
(b)	Explain the various pricing objectives for any B2B company.	[07]	CO4	L2
	<div style="border: 1px solid black; padding: 10px;"> <p><b><u>PRICE DETERMINANTS OR FACTORS INFLUENCING PRICING DECISIONS</u></b></p> <p>(i) Pricing objectives, (ii) customer analysis, (iii) cost analysis, (iv) competitive analysis, (v) Govt. policies.</p> <p><b><u>1. Pricing Objectives</u></b></p> <ul style="list-style-type: none"> <li>○ Are derived from corporate and marketing objectives.</li> <li>○ Some of the pricing objectives are survival, maximum short-term profits, maximum short-term sales, maximum sales growth, product quality leadership, etc.</li> </ul> </div>			
(c)	Explain the different stages of business selling process.	[10]	CO3	L2

	<div style="border: 1px solid black; padding: 10px;"> <p><b>Business Selling Process</b></p> <ul style="list-style-type: none"> <li>• No magic formula for making a sale. But chances of making a sale improves, if the following “sales process” is followed.</li> <li>• The major steps in selling process are : <ul style="list-style-type: none"> <li>(i) <u>Prospecting</u>. It is searching or identifying prospective or likely customers from various sources.</li> <li>(ii) <u>Qualifying</u>. Prospective customers are screened by qualifying criteria like expected volume, location &amp; financial strength.</li> <li>(iii) <u>Preparation / Preapproach</u>. Sales person should prepare plan before making sales presentation by obtaining all relevant information about the customer and competitors through personal visits and websites.</li> </ul> </li> </ul> </div>			
	<b>Part B - Compulsory (01*10=10marks)</b>			
4.	A tyre manufacturing company finds its sales performance substantially below the targeted sales at the end of the half-yearly performance review. The head of marketing proposes a price reduction of seven per cent. What factors should the firm consider before deciding to reduce the price?	[10]	CO4	L3
	Students need to exhibit their understanding on pricing in B2B context.			