

Internal Assessment Test - I

Sub: B2B Marketing Management

Code: 20MBAMM401

Date: 04/07/2023

Duration: 90 mins

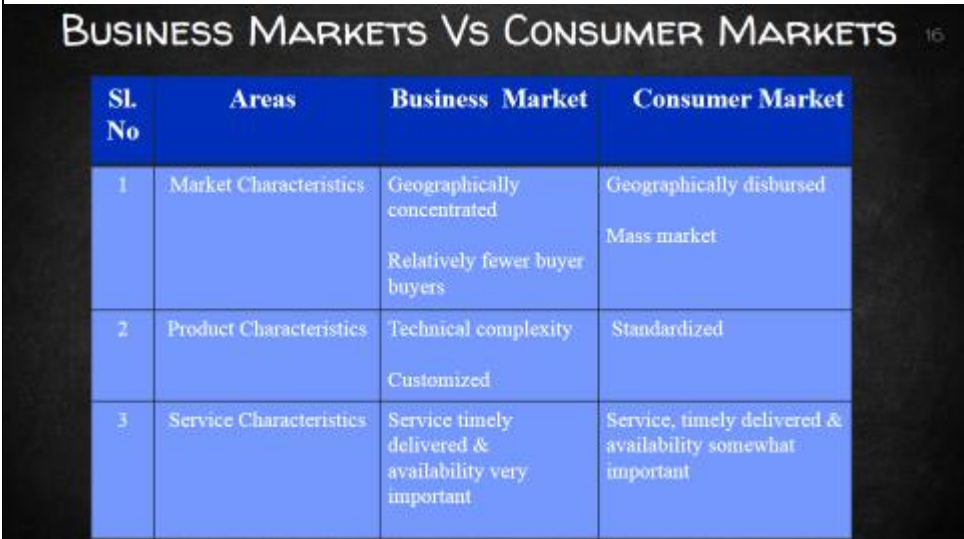
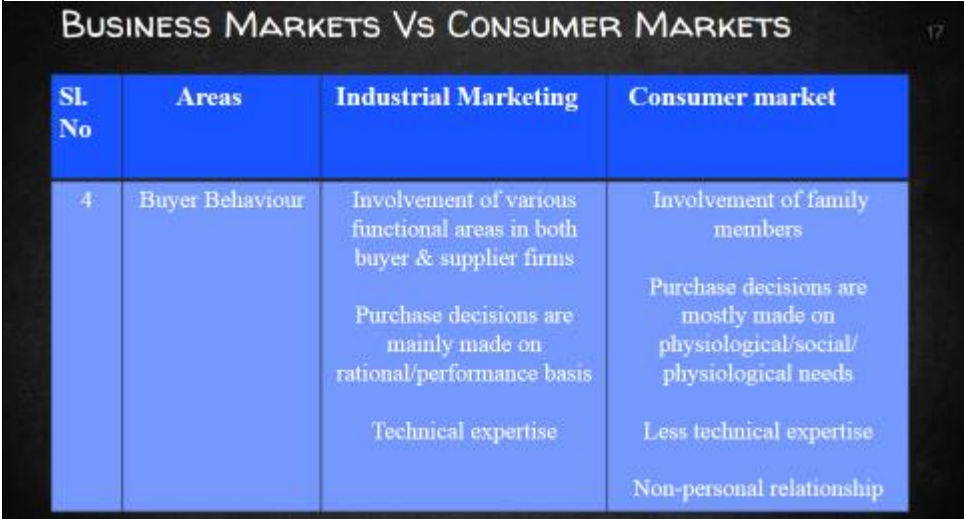
Max Marks: 50

Sem: IV

Branch: MBA

OBE

Marks CO RBT

Part A -Answer Any Two Full Questions (20*02=40 Marks)																				
1(a)	What do you understand by B2B marketing?	[03]	CO1	L1																
Ans	Business-to-Business marketing includes all actions and processes to market and distribute a product or service to another company. In other words, it is marketing directed at other businesses instead of directed at consumers. Marketing aiming at consumers is therefore called B2C Marketing.																			
(b)	Illustrate the differences between consumer-goods marketing and business marketing.	[07]	CO1	L3																
 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Sl No</th> <th>Areas</th> <th>Business Market</th> <th>Consumer Market</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Market Characteristics</td> <td>Geographically concentrated Relatively fewer buyer buyers</td> <td>Geographically disbursed Mass market</td> </tr> <tr> <td>2</td> <td>Product Characteristics</td> <td>Technical complexity Customized</td> <td>Standardized</td> </tr> <tr> <td>3</td> <td>Service Characteristics</td> <td>Service timely delivered & availability very important</td> <td>Service, timely delivered & availability somewhat important</td> </tr> </tbody> </table>					Sl No	Areas	Business Market	Consumer Market	1	Market Characteristics	Geographically concentrated Relatively fewer buyer buyers	Geographically disbursed Mass market	2	Product Characteristics	Technical complexity Customized	Standardized	3	Service Characteristics	Service timely delivered & availability very important	Service, timely delivered & availability somewhat important
Sl No	Areas	Business Market	Consumer Market																	
1	Market Characteristics	Geographically concentrated Relatively fewer buyer buyers	Geographically disbursed Mass market																	
2	Product Characteristics	Technical complexity Customized	Standardized																	
3	Service Characteristics	Service timely delivered & availability very important	Service, timely delivered & availability somewhat important																	
 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Sl No</th> <th>Areas</th> <th>Industrial Marketing</th> <th>Consumer market</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>Buyer Behaviour</td> <td>Involvement of various functional areas in both buyer & supplier firms Purchase decisions are mainly made on rational/performance basis Technical expertise</td> <td>Involvement of family members Purchase decisions are mostly made on physiological/social/physiological needs Less technical expertise Non-personal relationship</td> </tr> </tbody> </table>					Sl No	Areas	Industrial Marketing	Consumer market	4	Buyer Behaviour	Involvement of various functional areas in both buyer & supplier firms Purchase decisions are mainly made on rational/performance basis Technical expertise	Involvement of family members Purchase decisions are mostly made on physiological/social/physiological needs Less technical expertise Non-personal relationship								
Sl No	Areas	Industrial Marketing	Consumer market																	
4	Buyer Behaviour	Involvement of various functional areas in both buyer & supplier firms Purchase decisions are mainly made on rational/performance basis Technical expertise	Involvement of family members Purchase decisions are mostly made on physiological/social/physiological needs Less technical expertise Non-personal relationship																	

BUSINESS MARKETS Vs CONSUMER MARKETS ¹⁸

Sr. No	Areas	Industrial Marketing	Consumer market
5	Channel Characteristics	More direct Fewer intermediaries/middlemen	Indirect Multiple layers of intermediaries
6	Promotional Characteristics	Emphasis on personal selling	Emphasis on Advertising
7	Price Characteristics	Competitive bidding & negotiated prices List prices for standard products	List prices or maximum retail price (MRP)

(c) Explain the factors influencing the purchase decisions in B2B marketing.

[10] CO2


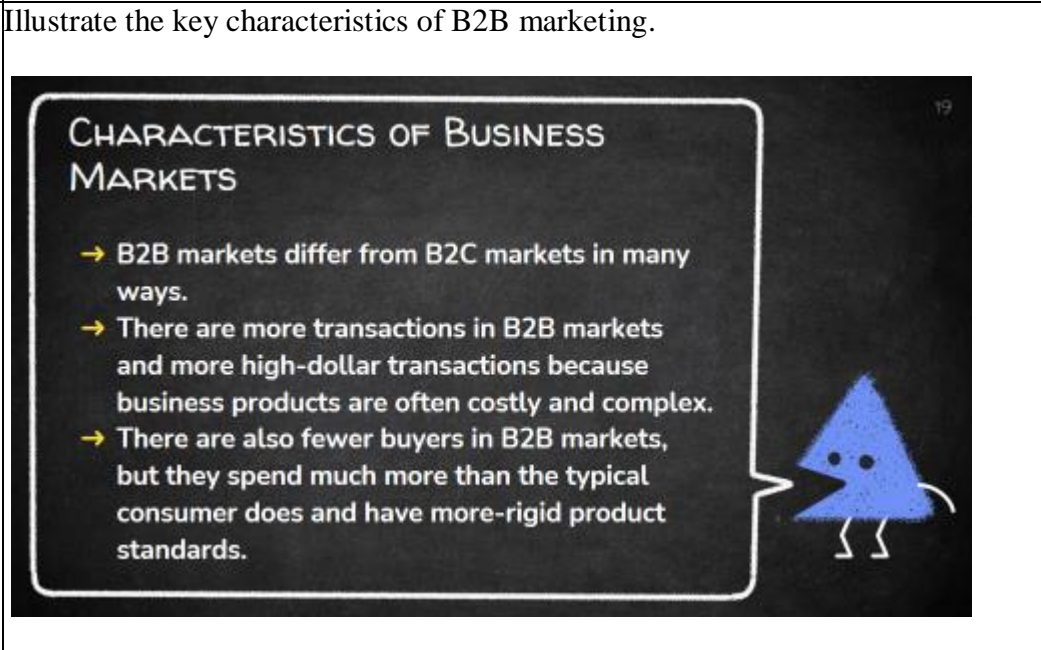
L2

Ans.

Factor Determining Organizational Buying Decision | Buying Behavior

- ▶ There are number of external and internal factors that directly or indirectly effect organizational buying behavior. Economic factors are considered very important role in buying. Other factors are political influencers that are dominant. Organizational buying is also situational and situations play an important role. Most thinkers feel that these influencers can be grouped under four major headings.



				
<p>2(a)</p> <p>Ans.</p>	<p>What do you mean by OEM?</p> <p>An Original Equipment Manufacturer or OEM is a company that manufactures and sells products or parts of a product that their buyer, another company, sells to its own customers while putting the products under its own branding. OEMs commonly operate in the auto and computer industries.</p>	<p>[03]</p>	<p>CO1</p>	<p>L1</p>
<p>(b)</p> <p>Ans.</p>	<p>Illustrate the key characteristics of B2B marketing.</p> 	<p>[07]</p>	<p>CO1</p>	<p>L3</p>

CHARACTERISTICS OF BUSINESS MARKETS

- The demand for business products is based on derived demand. Derived demand is demand that springs from, or is derived from, a secondary source other than the primary buyer of a product.
- For businesses, this source is consumers.
- Fluctuating demand is another characteristic of B2B markets: a small change in demand by consumers can have a big effect throughout the chain of businesses that supply all the goods and services that produce it.



20

(c) Classify and describe B2B products and services with relevant examples.

[10] CO1

L4

Ans.

CLASSIFICATION OF BUSINESS PRODUCTS



22

CLASSIFYING BUSINESS GOODS & SERVICES

3 Main Categories of Products

- **Entering Goods**
 - ✓ Become part of the finished product
 - ✓ Cost assigned to the manufacturing process
- **Foundation Goods**
 - ✓ Capital Items
 - ✓ Typically depreciated over time
- **Facilitating Products**
 - ✓ Support organizational operations
 - ✓ Handled as overhead expenses

CLASSIFYING BUSINESS GOODS & SERVICES

Entering Goods

➤ Raw Materials

- ✓ Farm products & natural products
- ✓ Only processed as necessary for handling & transport
- ✓ Require extensive processing

➤ Manufactured Materials & Parts

- ✓ Any product that has undergone extensive processing prior to purchase
- ✓ **Component Materials** require additional processing
- ✓ **Component Parts** generally do not require additional processing

CLASSIFYING BUSINESS GOODS & SERVICES

Foundation Goods (Capital Items)

➤ Installations

- ✓ Major long-term investment items
- ✓ Turbines, generators, furnaces and earth moving equipment etc.

➤ Accessory Equipment

- ✓ Less expensive & short-lived
- ✓ Not considered part of fixed plant
- ✓ Dies, hand tools, Portable tools, PC's, etc.

➤ Plant and Buildings

CLASSIFYING BUSINESS GOODS & SERVICES

Facilitating Products

➤ Supplies

- ✓ Any supplies necessary to maintain the organization's operations

➤ Services

- ✓ Maintenance & Repair support
- ✓ Legal services
- ✓ Advisory support
- ✓ Logistical support

3(a)
Ans.

Who are initiators?

Initiators are the people within the organization who first see the need for the product. But they don't stop there; whether they have the ability to make the final decision of what to buy or not, they get the ball rolling. Sometimes they initiate the purchase by simply notifying purchasing agents of what is needed;

[03]

CO2

L1

	other times they have to lobby executives to consider making a change.			
(b) Ans.	Describe what are entering goods with examples. Entering goods and services - These are products and services that become part of other products. We are referring to raw materials, component parts and materials. Examples of this type of B2B product include steering wheels for an automobile, lumber or metallic ores, formed parts or electronic products like integrated circuits. From the accounting perspective, entering goods and services are usually expensed rather than capitalized.	[07]	CO1	L2
(c) Ans.	Demonstrate the Buy-phases in the industrial Buying-decision process. PHASES IN INDUSTRIAL BUYING DECISION MAKING PROCESS / BUYPHASES PHASE – 1 :- Recognising A problem / need. PHASE – 2 :- Determining Characteristics & Quantity of needed product / Service*. PHASE – 3 :- Developing specifications of the product*. PHASE – 4 :- Searching & Qualifying Suppliers. PHASE – 5 :- Obtaining & Analyzing suppliers' offers* PHASE – 6 :- Evaluating & Selecting Suppliers. (shown on next slide) PHASE – 7 :- Selecting an order routine PHASE – 8 :- Post – Purchase evaluation *These are in addition to five stages of consumer buying decision process.	[10]	CO2	L3
Part B - Compulsory (01*10=10marks)				
4. Ans.	When you are marketing products like ceiling fans and furniture, you are doing consumer marketing as well as industrial (or business) marketing." Do you agree with this statement? Justify your answer. Students are required to justify the statement with explaining the key characteristics of B2B marketing and stating the difference in approaches of B2B marketing and B2C marketing.	[10]	CO1	L5

Course Outcomes		Blooms Level	PO1	PO2	PO3	PO4	PO5
CO1	Understand significance of B2B marketing.	L1	1a,1b,2a,2b,3b	0	4	0	0
CO2	Ability to create an integrated marketing communications plan which includes promotional strategies	L2	1c,2c,3a,3c	0	0	0	0

CO3	Effectively use marketing communication for customer acquisition	L2	0	0	0	0	0
CO4	Define and apply knowledge of various aspects of managerial decision making related to marketing communications strategy and tactics.	L3	0	0	0	0	0

Cognitive level	KEYWORDS
L1	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5	grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

PO1–Theoretical Knowledge; PO2–Effective Communication Skills; PO3–Leadership Qualities; PO4 –Sustained Research Orientation; PO5 –Self-Sustaining Entrepreneurship

CI

CCI

HOD