

K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077
Program: PGDM (RM)(Batch 2017-19), Tri-V
Subject: Sales Management & B2B Marketing
(End Term Examination)

Maximum Marks: 50

Duration: 3 Hours

Date: 9th January 2019

Instructions

- 1. Q 1 is compulsory. Attempt any 3 questions from rest**
- 2. Use of Personal Course pack given by Faculty is *ALLOWED* as reference material. No other material of loose papers / books etc. is allowed in examination room.**
- 3. Sharing of any reference material with fellow students NOT ALLOWED**
- 4. Start every Question from Fresh Page**
- 5. Use of examples, flow charts, tables etc. is recommended wherever applicable.**
- 6. Content and Presentation of content, both are important criteria for assessment.**

QUESTION 1

(20 marks)

Trudi is a leading European toy producer and had a yearly turnover of almost 25 million euro (approx £18m) in 2004. Its core business is the production and marketing of toys, the designs of which are created by its Italian designers. The toys are sold under Trudi's own brand as well as mascots and promotional materials for third party companies such as Walt Disney and the Harry Potter franchise.

The final product, in the past made in Italy, is now made in Asia. Trudi spends around £5 million a year, with 80% of its suppliers being located in China and 19% in Indonesia. The lower labour cost of the Far East was the major factor in shifting production. This is because the soft toys are made almost entirely by hand. The toys are produced by companies that are often Korean-owned, something valued by Trudi since they believe Korean management to be more dynamic and entrepreneurial than Chinese management.

The purchase of raw materials is delegated to Trudi's suppliers of finished goods, as

long as samples can be evaluated against a technical specification sent by Trudi. The company is aiming to concentrate its production in a single region of China, Shenzhen. This is due to the logistics advantages of the region being located close to Hong Kong and the high concentration of experienced suppliers to be found there. As Trudi is famous for its high quality goods, the suppliers have to commit to meeting strict European safety standards as well as adhering to a code of conduct over employees' working conditions. Moreover, because of the highly technical hand stitching involved in the manufacturing process, Trudi has had to carefully train its suppliers over several years. Since the look of the finished toy is so important, suppliers have to meet aesthetic as well as technical quality guidelines.

Trudi discourages its suppliers from forming trading relationships with its (i.e. Trudi's) direct competitors as it wants to avoid these competitors taking advantage of the knowledge that Trudi has transferred to China. Thus, producers must feel confident that the relationship with Trudi will last if they are to commit to signing a contract to supply them, since they may be asked by this key customer to forego links with other potential customers. This makes being a supplier for Trudi a fairly daunting proposition.

Questions

1. If you were employed as the marketing manager for a Chinese producer, how would you market your firm's production skills to Trudi in order to obtain a contract from them? (i.e. how could you reassure Trudi that your firm can add value?)
2. As a marketing manager, how would you 'sell' (internally) the idea of limiting your customer base to your fellow production company managers in order to persuade them to form a relationship with Trudi?

QUESTION 2

(10 marks)

Explain the difference between New Task Buying, Straight Rebuy and Modified Rebuy in B2B Marketing?

QUESTION 3

(10 marks)

Think of a firm or institution in a B2B market, ideally your own. What range of other organizations does this organization deal with, both 'up' and 'down' stream? Draw the supply/demand chain for a key product or service marketed by this organization.

QUESTION 4 **10 marks**

Hilti is a hand tool company, you are the sales manager, you need to develop a new product (a drilling machine) in the hand tool machine segment. Black and Decker is one of the competitors in the same segment. Explain the steps of developing a new product and steps, procedures or tools you will use statistically to do competitive analysis with your competitors.? As a sales manager which departments in Hilti will you closely work with to execute this task?

QUESTION 5 **(10 marks)**

Explain with diagram the different types of Sales Organization structures. (any 2).

1. Line Sales Organization
2. Line & Staff Sales Organization
3. Functional Sales Organization
4. Horizontal Organization.

QUESTION 6 **(10 marks)**

What is a Decision Making Unit (DMU).? Explain the role of Initiator, Gatekeeper, Influencer, Decider, Purchaser and User by giving a relevant example where all of the above are involved in the Buying process?

QUESTION 7 **(10 marks)**

What is Sales conflict, explain with diagram and give relevant examples for the same?

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