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P.E.S. College of Engineering, Mandya - 571 401

(An Autonomous Institution affiliated to VTU, Belgaum)

Third Semester - Master of Business Administration (MBA)

Semester End Examination; Dec. - 2015

Industrial Marketing

Time: 3 hrs

Max. Marks: 100

Note: Answer any **FOUR** full questions from **PART - A** and **PART - B** (Case Study) is compulsory.

PART - A

1. a. Why we need to study business marketing? Explain the step which is involved in the development of new product. 10
- b. Explain the different buying situations in business marketing with suitable example. 10

OR

2. a. List out the different types of Industrial products. With suitable example, explain how external environment is affecting industrial marketing. 10
- b. Explain different conflicts that arise in purchasing decision and how their conflicts can be resolved. 10
3. a. What are niche markets? What do you understand by undifferentiated and differential marketing? Explain with example. 10
- b. Explain with suitable example the concept of learning curve. 10

OR

4. a. Discuss the factors that influence the pricing strategy. 10
- b. Explain in the context of industrial product the significance of trade shows and their advantages. 10
5. a. Briefly explain the industrial product life cycle strategies. 10
- b. How do you plan for sales force deployment? Discuss. 10

OR

6. a. What are the important duties of a manufacturer towards his distributors? Explain. 10
- b. Describe the various advertising media available for industrial marketing. 10
7. a. Discuss the relationship of Logistics and Physical Distribution. Also Explain the total cost approach in Physical Distribution. 10
- b. Discuss in detail the effective use of sales compensation in industrial marketing. 10

OR

- 8.a. Explain the different types of sales force organization in an industrial market. 10
- b. Explain the different types of Industrial Markets. 10

PART - B**9. Case Study (Compulsory) :**

Mr. Sheshank, CEO of Proline Engineering Ltd., (PEL) is all set to restructure his organization. PEL have been in the light engineering business for last 30 years. Each function of PEL – marketing, manufacturing, finance and HRD is headed by a general manager. Regional sales managers, looking four zones (North, South, West and East) report to General Manager (sales and marketing) based at Mumbai, PEL has 200 sales people in sales and marketing department and nationwide network of 1600 dealers, none of them is exclusive PEL, but that is characteristic of machine tool industry/market. In 2000's when machine tool industry was sputtering along at 8 percent p.a. PEL grows by 11 percent. Each of PEL's 35 offerings has a market share of 12 – 15% in its category in fragmented market which is dominated by unorganized sector.

The machine tool industry is set to grow by 10% p.a. over the next five years and Shashank wants PEL to grow faster. He decides to restructure the company into 3 independent profit centers: Power tools, industrial belts and hydraulic houses. As each of them reaches a threshold levels, of sales, it will be spun – off as a strategic business Unit (SBU). Each profit centre will have CEO. The CEO's have total control over manufacturing, marketing and only staff functions like finance and HRD will be looked after by corporate centre.

Shashank also decides to centralize sales. He wants to create central sales organization (CSO) with a separate CEO for selling products produced by all three profit centres. Marketing activities like product development, advertising, brand building, promotion and service allocation will continue to be the responsibility of CEOs of profit centres.

Dealer sales of PEL at present, accounts for 60% PEL' turnover, remaining 40% is sales to large accounts directly by PEL. Margin on dealer sales are 8% and that on large accounts are 11%.

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| a) Write the present structure of the organization and its merits and demerits. | 7 |
| b) Write the proposed structure of the organization and its merits and demerits. | 7 |
| c) Suggest a structure of your own and comment on the same. | 6 |

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