

Reg. No. \_\_\_\_\_

Name: \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY****SIXTH TRIMESTER MBA DEGREE EXAMINATION APRIL 2019****MKT-T6-14 B2B MARKETING**

Max. Marks: 60

Duration: 3 Hours

**Part A****Answer all questions. Each question carries 2 marks**

1. Write short notes on “Buygrid Model” in Industrial buying
2. Explain the “Nested Approach” in Industrial market segmentation
3. Distinguish between Industrial Goods and Consumer Goods
4. Comment on Industrial Product Life Cycle
5. List out the various types of Industrial salesman

(5x2 marks = 10 marks)

**Part B****Answer any 3 questions. Each question carries 10 marks**

6. Analyze the Macro and Micro based segmentations of B2B market
7. How do you formulate a channel strategy in Industrial Marketing?
8. Narrate Business Marketing. Explain its scope and importance
9. Describe the participants and the various buying center roles of business buying
10. “There are various factors which influence industrial pricing decision”. Justify

(3x10 marks = 30 marks)

**Part C****Compulsory question, the question carries 20 marks**

11. General Electricals

GE is an amazingly large company made up of 11 major divisions that operate in areas as diverse as home appliances, jet engines, security systems, wind turbines, and financial services. The company is so large (2003 revenues of \$134 billion) that even if each of its 11 business units were ranked separately, all would appear on the Fortune 500 list. If GE were its own country, it would be one of the 50 largest and would rank ahead of Finland, Israel and Ireland

GE became the acknowledged pioneer in business-to-business marketing in the 1950s and 1960s. Back then, GE's tagline was "Live Better Electrically." As the company diversified its product lines, it created new campaigns, including "Progress for People" and "We bring good things to life."

In 2003, the company faced a new challenge: how to promote its brand globally with a unified message. GE launched a major new campaign "Imagination at Work," which earned it the 2003 B2B Best Award for a top integrated campaign. The purpose of the campaign was not simply to create warm feelings for the company, but to achieve real business results.

The campaign promoted GE's B2B units such as GE Aircraft Engines, GE Medical Systems, and GE Plastics. The goal was to unify these divisions under the GE brand while giving them a voice. The new campaign highlights the breadth of GE's product offerings.

GE spends some \$150 million on corporate advertising - a large sum, but a sum that gains efficiencies by focusing on the core GE brand. The challenge with creating a unified message was that each GE business had to fit with that brand image. GE chose "Imagination at Work" because it portrayed the innovation inherent in all its wide-ranging products

The new integrated campaign got results. "Research indicates GE is now being associated with attributes such as being high-tech, leading-edge, innovative, contemporary and creative," said Judy Hu, GE's general manager for global advertising and branding. Just as encouraging, market research found that respondents still associate GE with some of its traditional attributes, such as being trustworthy and reliable.

"We believe 'Imagination at Work' has proven to be a strong global message for us," said GE's chief marketing officer Beth Comstock. "Our goal is to be more present around the world and more consistent. To do it more broadly and faster. Going forward, you'll see medical and health care as the face of GE".

While the campaign unites all the GE business units, GE's success rests on its ability to understand the business market and the business buying process. GE puts itself in the shoes of its business customers. Consider, for example, its approach to pricing its aircraft engines. One would expect GE to charge a particular price for a particular engine type. But GE is aware that for the customer, purchasing an aircraft engine is a multimillion-dollar expenditure (\$21 million for each large engine). And the expenditure doesn't end with the purchase of the engine - customers (airlines) face substantial maintenance costs to meet FAA guidelines and ensure the reliability of engines. So in 1999, GE pioneered a new pricing option. The concept, called "Power by the Hour," gives its customers an opportunity to pay a fixed fee each time they run the engine. In return, GE performs all of the maintenance and guarantees the reliability of the engine. GE gives its customers a lower cost of ownership of the GE aircraft engine.

Business buyers value this option because it shifts risk away from them. In times of uncertain air travel, buying new jet engines for new airliners is a major financial risk. "Power by the Hour" lets the airlines pay only when they use the engine. Moreover, airlines do not have to worry about unexpected high maintenance

nance costs. Buyers are assured a low, predictable cost of ownership through the present pricing.

This kind of B2B sawy has helped GE cement its top position in the Financial Times World's Most Respected Companies survey. Chief executives from 20 countries have given GE the top spot in the survey for 6 years.

GE's understanding of the business markets, its way of doing business, and its brand marketing have kept GE's brand equity growing. Indeed, its brandequity was valued at \$53.6 billion by Corebrand in the fourth quarter of 2003.

"The GE brand is what connects us all and makes us so much better than the parts," Chief Marketing Officer Comstock said.

### **Questions**

1. What have been the key success factors for GE? (5 Marks)
2. Where is GE vulnerable? What should it watch out for? (5 Marks)
3. What recommendations would you make to senior marketing executives for going forward? (10 Marks)