



**III Semester M.B.A. (Day) Examination, January 2010**  
**(2007-08 Scheme)**  
**MANAGEMENT**  
**M-1 : Business Marketing**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

1. Answer any six of the following questions : (6×2=12)
- What is experience curve ?
  - What is DEM ?
  - What is Joint Demand ?
  - What is Direct Marketing ?
  - What is Vertical Publication ?
  - What are Foundation goods ?
  - What is competitive bidding ?
  - Define Market Segmentation.

**SECTION – B**

Answer any three questions : (3×8=24)

- Explain the concept of derived demand and cross-elasticity of demand with examples from industrial marketing.
- Distinguish between consumer and industrial marketing.
- In what manner the purchasing practices in government organizations differ in comparison to commercial enterprises in private sector.
- Explain briefly the channel design framework.
- Briefly explain the process of personal selling. Why it is very important in Business Marketing ?

P.T.O.



## SECTION - C

Answer **any two** of the following :

(2×12=24)

7. Explain the Webster and Wind model of organisational buying behaviour.
8. Explain the segmentation process in business markets.
9. Explain the functions performed by intermediaries.

## SECTION - D

10. Read the case carefully and answer the questions.

(1×15=15)

**Hewlett-Packard : A Channel Strategy Dilemma<sup>49</sup>.**

Before Hewlett-Packard Company and Compaq Computer merged, each firm had developed long-term relationships with a separate set of dealers and distributors. For example, in a given metropolitan area, one distributor worked closely with Compaq while another distributor enjoyed a partnership with Hewlett-Packard. In competing for small and medium-sized business customers, these distributors would routinely face off in a battle in which one forcefully represented H-P and the other Compaq. As Compaq becomes fully integrated into H-P, how will these crucial channel relationships be managed ?

Meanwhile, as the long-standing leader in direct sales to customers by telephone and the Internet, Dell continues to boost its market share in the personal computer business. Indeed, some suggest that H-P must reduce its reliance on distributors and emphasize a direct sales model if it ever hopes to match the cost-efficiencies that Dell enjoys. However, such a strategy would severely damage channel relations. A major distributor for H-P agrees : "If H-P bypasses distributors, you're going to see other vendors like IBM step up big time ... And you will see resellers like myself push more IBM product."

**Discussion Questions :**

- 1) Because H-P had working relationships with some distributors and Compaq with others, what steps should H-P take in developing an integrated channel strategy after the merger ?
  - 2) Given the overlap that might exist in some regions, what criteria should H-P use in choosing between one distributor versus another ?
  - 3) Should H-P bypass distributors and adopt a direct sales model like Dell ? Discuss the potential benefits and risks.
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