



TENTAMEN / EXAMINATION



8164617

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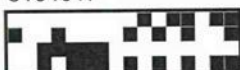
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Bedömning av uppgifter / Questions attempted											
1	2	3	4	5	6	7	8	9	10	~	
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Question 1- Patrik

Relationship perspective

A marketing perspective that focus on relations is a rather oversimplified way of understanding business markets and business marketing. The key in this perspective is to focus on all relations in a certain way to get a competitive advantage. Relations go through 3 phases: Establish, Develop, Maintain. The business should keep working within these steps in most relationships. Depending on the type of transaction being made and on market forces, there are 3 different types of relations where the firm invest different amount of time and resources. The relationship spectrum provides a continuum, starting with the least engaging form, a transactional relationships is rather antonymous with automated purchases and basic products – these relations does not need much attention. Compared to the other far end, the collaborative relationship needs more integration and collaboration between both participants in the relationship. This is because purchase is more complex and prices are higher within these relationships. In between these two ends lays the value-added relationship where the focus of the relationship lays in maintaining the relationship by providing value adding services for the relationship to continue.

Network perspective

A hybrid form of a relationship perspective is the network perspective. The perspectives are similar in the sense that they both value relationships which in many aspects are key in understanding business marketing. The network perspective takes another focus on relationships by seeing the myriad of business relationships is hard to control and focus on all. Instead it is better to focus on a few and understand what is to gain from a relationship. By looking at relationship as a life of its own Håkansson uses the ARA-model to help explain how business marketers can understand relationships on business markets. The model represents a relationship who is effected by both participant businesses and the surrounding environment. Actors are professional individuals (supplier and customer) who perform value creating Activities together through the use (or change of) Resources which they each possess. Relationships are dynamic and greatly influenced by the outer environment as well as what the other actor does, or which resources are at hand.

Differences - If not already said above, I'll try to point out some differences further.

A network perspective defines the relations as uncontrollable and that ownership is not possible. Further, these two insights takes a larger consideration that the effects of the environment are highly impacting the relationship dynamics. Another difference is the focus of amount of relationships, in a relationship perspective it is important to work on all relations, even though the degree of collaboration varies. A network perspective focuses on a few significant relationships instead.

BM and business marketing as network – gains.

Starting with defining business market may help illustrate the value of a network perspective. Business markets consists of product and services that are bought by local or international businesses, government or institutions, with the objective of using (incorporating or consuming) or resell the offering. Seeing that B2B-marketing include many uncontrollable factors and

complex transactions, it is rather naive to take a relationship perspective and think of relations as a “snapshot” of time. Using the network perspective allows business marketers to approach relations on many more levels. Even though the ARA-model brings a depth to the discussion, there are models that keep building on this perspective. Håkansson continues his research on ARA and talk about a wider world perspective. There are actors, resources and opportunistic activities that lay in the near reach of a business network. Thus, another competitive advantage of using a network perspective is the understanding of what relations, yet not investigated, that could help generate new opportunities. The SNMM-model (Strategic Network Marketing Model) further develops these ideas into six network types that all business may take advantage on. Analyzing which relations the business is currently focusing on and which could be a better strategic choice, is thus a good insight for business regarding the gains of the network.

Question 2 - Antti

5

Measurability	The degree to which information on a specific buyer characteristics can be obtained.
Accessibility	The degree to which the firm can access the segment with its marketing efforts.
Substantiality	The degree to which the segment is large and profitable enough to consider.
Responsiveness	The degree to which the segment is responsive to the marketing mix elements.

These criteria may be used to evaluate different potential segments desirability by constructing a table where each segments are given a score for how well they meet these degrees. Targeting a segment is to evaluate its attractiveness to firm objectives, and receiving the "highest" score does not necessarily mean that it is desirable. Before targeting a segment it is important to consider the former process – segmentation – and make sure that the segments chosen for evaluation are: groups that have similar needs and are distinct from other groups so that they'll respond differently to marketing communications and efforts. But let's move on to the third step of this traditional way of marketing strategy: Positioning.

Question 3 - Antti

To explain what a value proposition is, it is important to know where in the marketing processes we are. Taking a traditional marketing strategy, the former mentioned processes of segmentation and targeting have already been dealt with. According to Ulaga, this perspective on customer value, originates from taking a "Sellers-perspective" on customer value and thus define customer value from "our", or a firm, perspective on customer value.

Understanding the implications of the background and these perspectives, a value proposition could be defined as a customized proposal, of a suppliers offering, that illustrate attractive customer value. Value proposition is therefore also explained by three different points of customer value, considering the attributes of the offering compared to competition:

Points of parity (POP) Attributes that are shared with competitors. Even though they are beneficial to customers, most of these benefits are usually what the offering "need to have" in order to even be considered by customer.

Points of difference (POD) These are the attributes which only "our" firm have and will thus be the differences from competition offering. These differences might be more or less important to customers, but from our perspective, this is where we stand out from competition.

Points of contention (POC) This is where our understanding of the provided benefits differs from customer expectations. A way to bridge that gap is to see us as the next best option and compete with additional value to convince customer of the value in our offering.

A way to construct value propositions is to use the three above concepts, in different constellations, with the goal of "pitching" the customer value that the offering provides. Anderson et. al (1997) identifies these three value propositions where the best suited option lays in the constraints of firm market knowledge.

All benefits Similar to POP, where the value proposition consists solely of benefits that the firm think is attractive to the customer segment. For customers it answers the question "Why you should chose us?". The advantage with this option is that it is possible to construct with only having knowledge of the firm's own market.

Example: "HappyOrNot offer an easy-to-use product together with serving analytics of customer satisfaction metrics."

Favorable points of differences Similar to POD, in using firm and competitor differences in leveraging customer value proposals. The most favorable differences are chosen to attract customer and answer the question "Why you should chose us and not the competition?". To be able to construct a value proposition with favorable points of differences marketers need to have knowledge of both their own product market as well as competitors markets.

Example: "HappyOrNot offer an exclusive worldwide access to big data and the most affordable price"

Resonating focus The resonating focus takes both aspects of POP and POD into consideration when constructing a value proposition that is customized to the segment needs (in the sellers perspective). This is regarded as the best way of constructing a value proposition and involves pinpointing the key favorable points of differences, and perhaps include a point of parity as well, when matching customer value with the offering. This is not as easy as it looks, it requires knowledge of own and competitors market but more importantly customer actual preferences and customer value is usually hard to pinpoint and explicitly translate. If successful, it should answer the question “Why our offering fits your need”.

Example: “The offering of HappyOrNot can be integrated in the specific parts of retail stores. Hanging from a rail it is easy to use and access to your data combined with worldwide big data has never been more affordable”.

Question 4 - Peter

15

a) R&D and Business Marketing (BM) dependency

The quick answer to this question, from a theory of knowledge perspective, lays in the complementary need of two types of knowledge when bringing offerings to the market. Behind every idea, innovation, product or service lures a problem and a solution. The problem is represented by the “use”-knowledge and the solution by the “tech”-knowledge. Defining BM as responsible for recognizing the problem and defining R&D as responsible for providing the solution, the dependency is crystal clear between the two functions.

Since the question also emphasize a further discussion on R&D and BM linkage the longer answer will now take form.

The knowledge perspectives springs from the concept of user innovation – which in turn was a result of a shift in how organizations innovate. Traditionally, R&D and BM was linked as explained above. It is referred to closed innovation where the R&D had responsibilities of the advanced development, the design and the prototype building was also located in the firm and R&D and BM jointly tried to understand the problem and provide a solution. Customers were let in to the process in the final step of testing and giving feedback.

When there was a shift to open innovation, these organizational boundaries where not as hard because now, the customer was let in earlier in the process and the linkage between R&D and BM was redefined in some industries. The dependency was still there but there was now another actor that helped to bridge the problem and the solution, the era of user innovation had begun.

There are two types of user innovation but most commonly “lead user” is the one refereed to, the other being “ordinary user”. Ordinary users possess the “use” knowledge which, in itself, cannot help bring a solution of an idea. Working with these users thus need the assistance of R&D and BM to help bridge the gap. This is where BM refer to pull-strategies where they try to extract the sticky information that is explicit and hard to translate into means for a solution. The use-knowledge may help answer a question such as “what attributes this product need to have or what it needs to do”. Lead users possesses both the use-knowledge and the tech-knowledge and are thus very valuable in identifying ideas/innovations etc. together with the solutions. Possessing the tech-knowledge means the understanding of the technological necessities and limitations of a solution. R&D used this knowledge to push solutions in the traditional approach. Working with user innovation is aided by providing toolkits so that users may follow the advanced development of R&D and work on an own loop of, design, build prototypes, test and feedback. The lead users are usually referred to as being innovators, which brings me to the next question and proof of the need of a linkage between BM & R&D.

b) Failure of technically superior products

There are two aspects of this question, (1) technology advancement is not everything and (2) technology advancement is everything. Starting with the first aspect, why a superior tech-product becomes a failure may be explained by the concept of crossing the chasm. Seeing that these types of products are needs of the first two customer groups (innovators and early adopters

have a technological and performance craving), is not enough to bring enough revenue streams to the firm. Crossing the chasm refers to the ability to reach the majority of customers (early majority, late majority, laggards). Reaching these customer with technical products calls for the marketers' ability to focus a 100% on solutions and convenience for a niche group of a few pragmatists (early majority). This is sometimes hard but once a foothold is established the product may more easily not end up as a failure. Looking at history innovators have struggled with understanding what really matters to the big customer group and thus substitute products that have been less advanced gained market shares.

The second aspect of this question refers to dominant design. Another reason for failure of technically superior products lay in the aspects of market demands and "established praxis". After a while of competition one of two similar products may have features that have become generally accepted. These features are thus what the market demands and can be seen as standards that has to be followed. Innovators and business marketers have to adopt and adhere to these designs as the new rules of that specific product. An example is the keyboard that I'm writing on. If innovators were to come up with a different way of ordering the letters I would never consider that product even if it was better in some way – this is my standard that I expect to receive from all types of computers I buy.

Question 5 - Bo

Before discussing the channel design to a business market it is important to look at the prerequisites for such a design. Although taking the manufacturer's perspective of designing the process, this is not an operation done alone. Key features of succeeding with a channel design is the ability of joint planning and joint communication with all actors in the supply chain. Therefore, supply chain management play a critical role of integrating supply and demand of all companies when analyzing the different needs of the customer segment in the channel design process.

One way to approach the channel design is to work through a sequence of 6 steps. These may overlap and vary in scope depending on industry and complexity of the market.

Step 1: End-Use Focus, define customer segment

Seeing that the channel is driven by the customer, it is important to first focus on identifying a customer segment. That is a group of customers that have similar needs and are distinct from other groups in the sense that they'll respond differently to marketing communications and efforts. In a B2B-setting it is of further importance to have an end-use focus, that is understanding why your product is important for your customer – are they using it for creating other products or for a direct resale. Understanding the end-use is thus important to get an understanding of how the distribution channel will be of importance or not for the customer.

Step 2: Identify and Select customer segment requirements

Depending on what end-use the customer had, the requirements of the offering might differ depending on which customer segment was identified. Some examples of customer segment requirements are: Quality, Assortment, Availability, Personal contact, Service, Price.

Step 3: Assess firm's capabilities to meet customer segment requirements

In this step the manufacturer (or SCM) has to assess their capabilities of meeting the different customer segment requirements. Meeting these requirements refers to the ability of applying firm resources, competencies, processes and offerings so that they fit customer segment needs.

Step 4: Benchmark firms offering to competition *of competitors*

Looking at competitors' performance may help guide the channel design process to evaluate alternatives that others are currently doing. It may open up ideas of how to solve a difficult problem or get new ideas of possible solutions. It is important to analyze how this supply chain will stand out among competition and create a unique solution to the specific customer segment – otherwise there might not be a strong enough reason for the customers to stay with you.

Step 5: Create a channel strategy that meet customer latent needs

Seeing the process as a long-term commitment where sharing information is key to establish trust, it is important to be open and flexible to meet changes in customer needs. At a first glance there might be latent needs that remained unidentified until a later time. In those events it is important to design the channel with opportunities of sharing these findings whenever they appear and pay attention to changes in customer needs.

Step 6: Evaluate and select channel solution

With the above information at hand it is time to reflect on the different opportunities that different customer segments may present. Looking at the different alternatives of a distribution channels manufacturer has two major choices: (1) Direct distribution channel, mostly used when markets are complex. (2) Indirect distribution channel, used when markets are fragmented and widely dispersed. Within the Direct choice are direct sales, online marketing, and telemarketing. Within the Indirect alternative are manufacturer's reps and industrial distributors (agents). But I consider these aspects to be too far away from the original question to analyze further.

Question 6 - Bo

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An efficient supply chain have many ingredients in tune but my focus lay in the goals of SCM and understanding the foundation of SCM. When addressing efficiency in a supply chain the definition of Supply Chain Management (SCM) is in itself a factor for establishing efficiency. SCM refers to the planning and communication of all activities within a supply chain. This reflects in conducting collaboration activities (such as sharing information) and work on the long-term relationships that all are a part of. In essence, SCM integrates supply and demand across companies in the supply chain. Efficiency can spring from established goals, they need to be Specific, Measurable, Achievable, Realistic and Time-bound. Although, to answer this question the goals will be presented as main factors and what to consider for each:

Waste Reduction

Working on waste reduction refers to harmonizing processes so that there is as little “waste” as possible. Waste could refer to both time spent and material used. For example, one part of waste reduction is to minimize duplication, so that no firm does the same thing as another is already doing. This will help

Time Compression

Unlike the above goal, this view on time focus on minimizing time order-to-delivery time. Analyzing the “journey” of the product through the supply chain will help get a better understanding of where it is possible to cut some time. This is important because time is money, and neither the business nor the customer wants to wait for the product to be delivered and payment to be received.

Flexible Response

This goal has to do with the ability of meeting customer special need in a cost-efficient manner. Key is sharing information and collaborating within the supply chain to help bridge customers tailored needs without losing focus on the capabilities of the supply chain businesses.

Unit Cost reduction

To be able to reduce cost per unit it is important to understand the exact expectations on performance that the customer have. In that way it is possible to assess the products of the supply chain if they deliver just these expectations, not more, not less – that would be more costly.

Efficiency of supply chain thus relates in many ways to cost-saving efforts and help increase profits for the entire supply chain – if successful.

4

Question 7 - Bo

In the business communication mix there are five major elements and the role of trade shows can be used to explain these elements.

Personal Selling	Trade show is personal selling in the sense that it involves personal interaction with potential customers. Personal selling is the most suited communication tool for B2B marketers. This has several reasons: Markets are dynamic and sales are complex, price is high and offerings are tailored, negotiations are long and complex and personal selling is the best tool for these aspects because it help understand these needs better through interaction and feedback.
Advertising	In the event of participating in a trade show there is a lot of advertising opportunities. In magazines businesses may even get a free space by working on public relations ahead of the event. Advertising is used for creating awareness and the effectivity of the sales process effectivity and increasing sale efficiencies.
Sales Promotion	Trade shows may offer the opportunity to sell products as well, so developing special offers for this specific event may be a good use of this communication tool.
Online Media	Before the trade show there is usually a lot of discussion and profiling opportunities in different online media channels, they can even begin up to a year in advance. A two-way communication is a good start for establishing new relations with customers.
Public Relations	On trade shows there is sometimes a possibility of leading lectures and presentations on where your company is currently in the market. This may help communicate your brand message and develop interest from potential customers.

Trade shows are a good place to gain market knowledge that relates both to you, your competition, your customers and perhaps leading researchers ideas. It is also an activity for business individuals – employees and managers – to come together and strengthen relationships internally. Usually a place where different actors within the supply chain may be found (depending on the subject of the event). Measuring is a good way of understanding how effective the trade show has been. Through the use of digital marketing there are many ways of measuring interaction with your company before and after the event: Visits on webpage, leads, subscribes to newsletters, engagement on social platforms before, during and after. Sometimes there is also a possibility of measuring new clients from the trade show. Another measurement is to use the trade show statistics of visitors and relate them to how many you had. Having set goals before it is easier to compare your performance. It is important to evaluate the invested time and money, and ROI (return on investment) is sometimes used to measure that aspect.