



## EXAMINER'S REPORT

MAY 2001

### BUSINESS-TO-BUSINESS MARKETING

#### General Comments

The pass rate this year is 63%. The breakdown with regard to grades was as follows:

A	-	0.75%
B	-	3%
C	-	22.4%
D	-	35.8%
E	-	10.4%
F	-	26.9%

As in previous years, the case study section proved to be the biggest problem for many students. In addition many candidates found it difficult to relate the discussion to the specific industries or applications indicated in the question. This lack of ability and a consequent reliance on basic lecture notes meant that these students struggled to achieve sufficient marks. At this final stage of a professional education programme it is not unreasonable to expect candidates to apply concepts and theories to practical situations. Other students both selectively or deliberately misinterpreted questions and provided their own "take" on the question. This led to irrelevant or weak answers.

#### SECTION A – THE CASE STUDY – SEVEN-ELEVEN JAPAN

Many candidates failed to address the specific issues raised in the three sections. In particular there was a sharp divide between those candidates who addressed the general issues surrounding the Japanese distribution system and those who contented themselves with a description of the Seven-Eleven model. The stronger answers highlighted the antiquated nature of the Japanese system but correctly discussed the historical and geographical circumstances that led to this situation. A comparison with Western systems highlighted the "push" versus "pull" model but everything has to be placed in context and the cultural and societal factors cannot be underestimated.

Many candidates tackled section B reasonably well. They discussed the ways in which the company utilised information "as power". The stronger answers also focused on the entrepreneurial flair of Mr. Suzuki. "Being in the right place at the right time" is an important observation.

Many candidates rushed section C. Some students introduced a SWOT analysis at this stage! Greater focus is needed on the "replication" issue.

## SECTION B

### Question 2

Many candidates misinterpreted this question and wrote extensively about the various sales forecasting tools and techniques while making no reference to the specific proposition contained in the question. These answers ignored the issue of information technology and its potential for improving accuracy. Logically, this should have encouraged students to discuss the role and contribution of the Intranet, Extranet, EDI and so on. Many examples abound. They could draw upon the Dell model which utilises these tools to allow the corporation to make more accurate predictions of sales and inventory requirements. Some students made fleeting references to these tools without adequately examining their relative importance. By contrast, the best answers made use of examples to support the line of argument.

### Question 3

This question forced candidates to apply their knowledge about relationship management and supplier selection to a specific situation. Essentially the question raised issues about the relationship between a small supplier and a large manufacturer. Students should have considered factors such as over-dependency on one customer versus “growing” the business, improving skills in key areas such as JIT and TQM and so on. Stronger answers also considered the demands and requirements of Dell. Weaker answers regurgitated lecture notes about the buying process and the decision-making unit. This was clearly not sufficient to allow for a pass mark. Dell is a well-known company and its business processes are discussed across many different business subjects. Therefore it was disappointing to see how many students ignored some of this potential material.

### Question 4

Students attempting this question had a great opportunity to utilise material that they had covered in the Logistics Management subject. The more effective answers did so and drew upon a number of examples to illustrate and support their line of argument. Students should have stressed the importance of the “extended enterprise. In other words, companies have to involve both upstream and downstream members of their supply chain in an increasingly wide range of business activities if they hope to “add value”. As a consequence it becomes critical to encourage an integrated supply chain. Without this philosophy it becomes impossible to achieve the level of cohesiveness necessary to compete effectively. Weaker answers focused on a brief description of the supply chain. Many answers also failed to address the importance of managing information as well as product flows in the supply chain.

### Question 5

This was a somewhat disingenuous question designed to encourage students to grapple with an unpalatable belief among many business customers that companies in certain instances charge what they can get away with instead of more scientific approaches to pricing. The weakest answers utilised consumer marketing examples and issues to support their line of argument. This was patently an incorrect approach. More effective answers considered the proposition directly and discussed the issues of value for money, reputation and the “halo” effect, price premiums, different requirements by different segments of the market and so on. Others simply listed the factors that should be taken into account when devising a pricing strategy, without any reference to the specific issues raised in the question.

### Question 6

Many students regarded this as a “banker” question and examined the various control mechanisms as outlined in the textbook. However weaker answers failed to take on board their appropriateness to a small firm. The stronger answers developed the discussion around the typical constraints facing SMEs: lack of resources and personnel, a focus on informality and so on. They amended the more relevant aspects of the “balanced scorecard” system as outlined in Hutt and Speh. They correctly identified that there are other factors to utilise besides sales.