

ZIMBABWE EZEKIEL GUTI UNIVERSITY



DEPARTMENT OF BUSINESS STUDIES

COURSE: BUSINESS-TO-BUSINESS MARKETING

COURSE CODE: CMA 401

DURATION: 3 HOURS 30 MINUTES

INSTRUCTIONS TO CANDIDATES

1. No cell phones are allowed in the examination venue.
2. Begin each question on a new page.
3. Answer **all** questions in Section A and any other **three (3)** from Section B
4. Each question carries **25 marks**
5. The number of marks for each question or part question is shown in brackets.

SECTION A

Answer all questions from this section

Question 1

CASE STUDY: The New ERP System

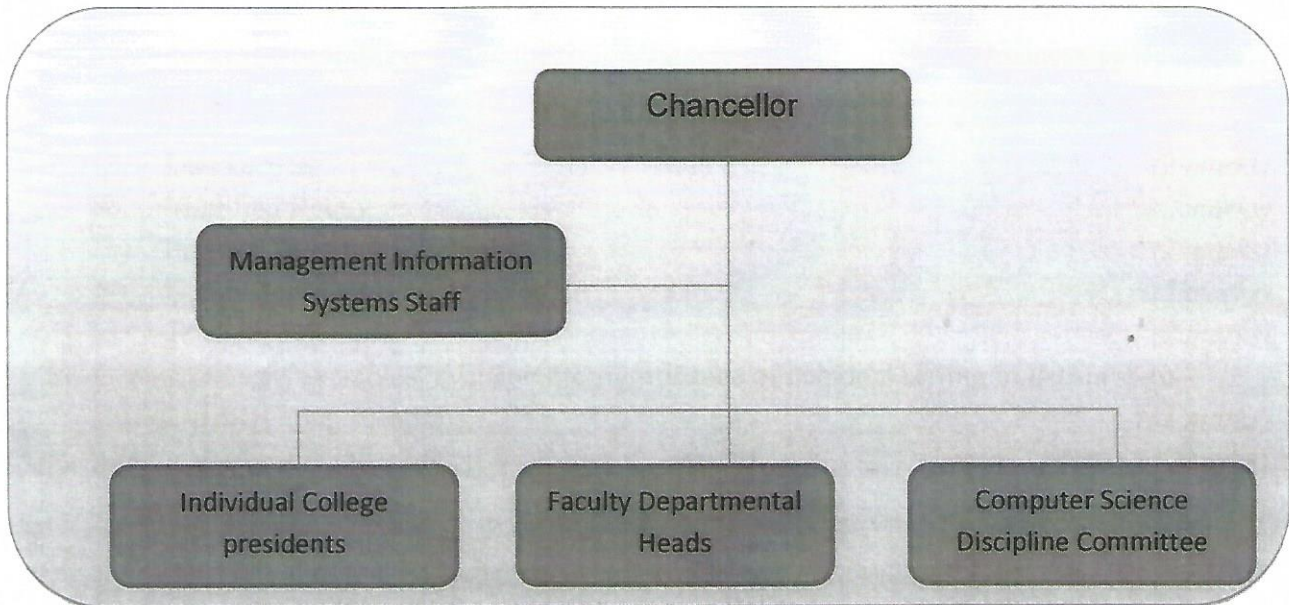
A large public university with more than 20 locations throughout a major city currently has nearly 100 different computer and software systems to manage functions such as student registration, billing and collections, purchasing, human resources and payroll. Some of these systems run on “legacy” mainframe computers while others can be accessed on personal computers throughout the university. The university has appointed a new Chancellor, Dr Lijuan Zhang, and she believes this is an area where huge savings might be realized. While she is no computer expert, Dr. Zhang has read extensively about ERP systems and found a definition online “enterprise resource planning (ERP) systems integrate internal and external management information across an entire organization.” Major ERP system components include a central database that stores and manages the key information of the institution. It should also include report generators, and analytical tools. From her discussions with other administrators in large organizations it seems like this new system might cost as much as \$500 million. Therefore she feels it will be important to involve all interested people to be sure that they feel involved in the decision.

During the past three years local and national governments have been cutting back on their expenditures for education. Tax revenues have been lower and legislatures have been less willing to appropriate funds or to raise tax rates. Just recently the press has been reporting that some students who are not citizens are attending classes and realizing the benefits that normally go to those who live in the city. This has focused more attention on university policies and procedures. Because the university is a public institution it has established strict ethical rules – no employee is permitted to receive anything of value from a potential supplier.

Since the university is a very large organization with more than 200,000 students, she also has a significant staff to help her. This includes a large Management Information Systems Department who would probably take the lead in this kind of change. Dr Zhang understands that implementing a new ERP system will require major changes throughout the entire institution. The university has many component divisions, including each individual college and cross-college discipline committees. Naturally the Computer Science Departments in each college would want to have a say in any decision related to changing computer systems. A simple organizational chart is presented below. Since this is a university organization it is important to note that the faculty enjoys a high level of independence from both the individual college presidents and the Chancellor of the entire university.

Zhang has found from her reading that acquiring a new ERP is extremely complex. Especially important is the formation of the acquisition team. According to experts (Verville et-al., 2007), the team should be multi-disciplinary. The head of this team may be chosen from inside or outside the organization and must be a strong leader. A steering committee consisting of senior level individuals should be selected from the acquisition team. Two of the major firms that

provide ERP systems are Oracle and SAP. Assume that you are the director of marketing for the education division of SAP. Of course you see this as a very large potential client. The university will not only make a very large initial purchase but continue an ongoing relationship for the foreseeable future.



Simplified University Organizational Chart

Questions

- a) How will the political environment affect the purchasing process? *(5 marks)*
- b) Who might be included in the decision-making unit (DMU)? *(6 marks)*
- c) Describe the role/s to be played by each member included in the DMU. *(6 marks)*
- d) Briefly describe how the environmental influences might come into play in the university buying decision? *(8 marks)*

[Total 25 Marks]

SECTION B

Answer any three questions from this section

Question 2

a) With the aid of examples, define the following terms as they apply in Business-to-Business Marketing:

- i) Gatekeepers (2 marks)
- ii) Modified Rebuy (2 marks)
- iii) Product Positioning (2 marks)
- iv) Component Parts (2 marks)
- v) Transfer Pricing (2 marks)

b) Giving relevant examples, evaluate the significance of personal selling in Business-to-Business marketing scenarios. (15 marks)

[Total 25 Marks]

Question 3

a) Briefly outline the five (5) adopter categories which need to be considered when assessing the diffusion of innovation. (5 marks)

b) Outline the causes of inter-organisational conflicts and then do an evaluation of several approaches which can be used in solving inter-organisational conflicts.

(20 marks)

[Total 25 Marks]

Question 4

a) Using examples briefly outline any five (5) main differences between Business-to-Consumer marketing communication and Business-to-Business marketing communication. (5 marks)

b) Discuss how a Business-to-Business marketing organisation of your own choice can use the Value Chain Model to enhance value for its customers. (20 marks)

[Total 25 Marks]

Question 5

- a) With the aid of examples, briefly outline any six (6) categories of Business-to-Business products. *(6 marks)*
- b) As a new employee to any Business-to-Business organisation of your own choice, you realise that your colleagues are finding it difficult to understand the factors affecting the buying decisions of their customers. Giving relevant examples, explain to your colleagues to the factors affecting organisational buying decisions using the Webster and Wind Model.

(20 marks)

[Total 25 Marks]

******End of paper******