ZENITH STUDY HUB

Business Marketing

UNIT IV | MANAGING MARKETING

Managing offerings, routes to market and industrial pricing

SPPU TE Robotics & Automation | Business Marketing | 2024 Pattern

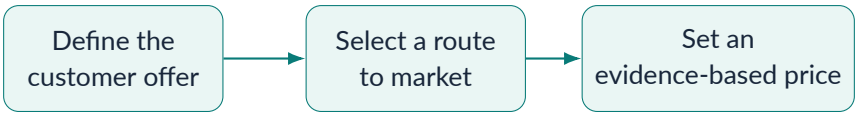

Figure 1. Original conceptual overview: commercial planning must align value, channel reach and economic feasibility.

Evidence basis
The complete connected Drive lecture *Unit 4_Managing the Marketing* was opened; the official SPPU Business Marketing syllabus was checked separately. Additional pricing/channel concepts were cross-checked with OpenStax *Principles of Marketing* and IIT Roorkee/IIT Kanpur NPTEL course descriptions. All tables of performance, quotes and costs below are constructed examples, not company prices.

Learning review edition | 21 November 2026 **Official allocation:** 8 teaching hours

Unit IV | Exact Syllabus Coverage

Syllabus area	Guide explanation
Basics of Marketing Management	Managerial cycle, needs, segment–target–position, industrial 4Ps and service-related 7Ps
Managing Product Offerings	Equipment/service bundles, industrial product lines, lifecycle, standardization and customization
Various Routes Identification and Development	Direct sales, distributors, VARs, integrators, partner qualification and route design
Routes to Market	Hybrid models, channel conflict, cost-to-serve, governance and KPIs
Price Setting in B2B Markets	Cost-plus, margin versus markup, contract terms, discounts, value, profitability and TCO

Two corrections to the supplied lecture slides
(1) Consumer demographic targeting examples are not automatically suitable for industrial market segmentation; organizational criteria and engineering needs matter. (2) Cost-plus pricing does *not guarantee profit*: actual unit cost, fixed expenses, returns, volume, contract discounts and non-payment may differ from assumptions. This guide states the assumptions behind each price calculation.

1 Basics of Marketing Management

1.1 What the manager is responsible for

Marketing management means deciding which customers to serve, what value to offer, how to communicate and deliver it, how to price, and how to measure results. In a B2B robotics company, the manager must coordinate the product, applications engineering, operations, sales and service functions. A campaign that generates leads for a technically unready product can harm the business rather than help it.

In simple language
Good industrial marketing starts by understanding a buyer's process problem, then aligning the technical solution, commercial offer, delivery route and after-sales responsibility. The advertisement is only one part of the system.

1.2 Marketing-management cycle

1. **Research:** identify decision-makers, application needs, current alternatives, constraints and evidence.
2. **Plan:** choose target accounts, positioning, offering and performance goals.
3. **Execute:** coordinate sales, channel partners, service and communication.
4. **Measure:** track appropriate pipeline and customer-outcome metrics.
5. **Improve:** revisit the problem, source assumptions and customer evidence.

1.3 The 4Ps and 7Ps in an industrial setting

The classic marketing mix includes **product**, **price**, **place** and **promotion**. A services-oriented formulation may also emphasize **people**, **process** and **physical evidence**. The additional elements do not replace the core commercial decisions; they make service delivery explicit.

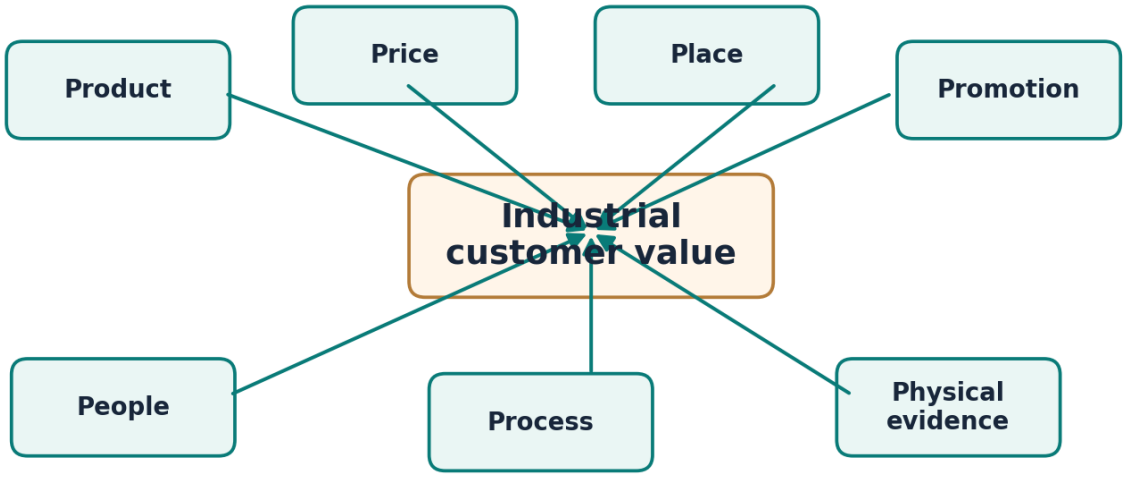

Figure 2. Original industrial interpretation of seven marketing mix elements; all must support a credible buyer outcome.

Element	Robotics-market example
Product	Robot tool, controls, software, commissioning and support
Price	Equipment quotation, installation charge and service terms
Place	Direct sales, integrator network and spare-part distribution
Promotion	Technical demonstration, test report and webinar
People	Application engineers, service team and customer users
Process	Change control, FAT/SAT acceptance and service ticket escalation
Physical evidence	Test rig, manuals, inspected prototypes and signed acceptance records

1.4 STP: segmentation, targeting, positioning

Segmentation identifies organizational groups sharing needs. **Targeting** selects groups with a credible fit. **Positioning** states how the offering is distinct and why the difference matters. For a modular robotics inspection cell, an initial target could be manufacturers with frequent product changeovers and limited integration capacity. That target must be validated through real research rather than invented firm data.

Hypothetical STP example
Segment: medium-sized component manufacturers grouped by installed PLCs and changeover frequency. Target: factories needing short recipe changes and documented traceability. Position: a modular inspection package with measured changeover time, integration documentation and defined maintenance access.

1.5 Marketing objectives are not activity counts

An increase in email volume, trade-show visits or web impressions does not by itself prove customer value or revenue. Choose measures connected to the intended decision: qualified application discussions, accepted pilot outcomes, contract contribution, delivery performance or customer retention, each with a documented denominator and reporting period.

2 Managing Product Offerings

2.1 The customer buys a bundle of value

Industrial products can combine hardware, software, specialist services, documentation, upgrades, training and financing. A factory installing a robot generally needs implementation and support as much as the physical arm. Each component has its own scope, price, responsibilities and potential risk; bundling should make obligations clearer, not hide them.

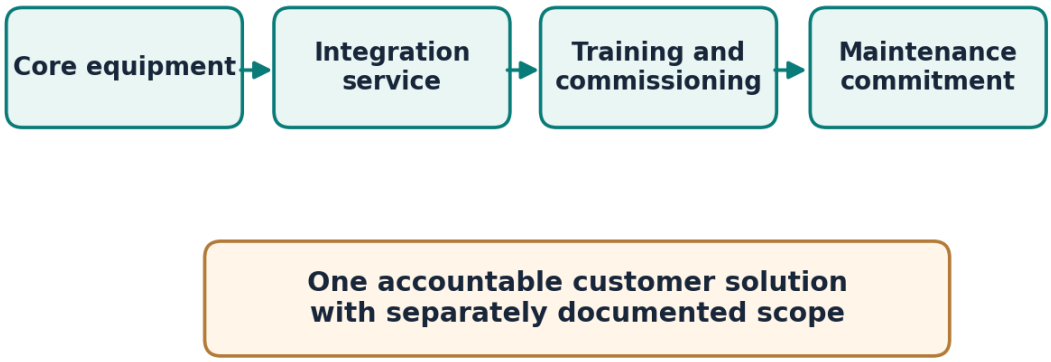

Figure 3. Original equipment-and-service value bundle. The scope of each service should be stated in the contract.

2.2 A lifecycle approach to industrial offerings

During *introduction*, explain the problem and qualification evidence. In *adoption*, focus on commissioning, acceptance and user training. During *ongoing use*, monitor support performance, spares and changes. At *renewal or withdrawal*, plan compatibility, upgrades and end-of-life support. A product lifecycle is a framework, not a reliable clock for forecasting sales without evidence.

2.3 Standardized products versus customization

Standardization can reduce engineering cost, complexity, spares and lead time. Customization can satisfy unusual geometry, process constraints or integration needs but increases development, testing and support effort. A configurable platform may provide a middle path, with standard interface modules and controlled customer-specific options.

Worked numerical 1: basic lifecycle cost
A hypothetical controller package has an equipment price of ₹2.5 lakh; annual service is ₹0.20 lakh and annual energy cost is ₹0.10 lakh. Over four full years, ignoring discounting, taxes, repair uncertainty, downtime and salvage value, the simplified total is $2.5 + 4(0.20 + 0.10) = \boxed{₹3.70 \text{ lakh}}$. This is only a partial total cost of ownership (TCO) estimate and should not be presented as the buyer's actual lifecycle spend.

2.4 Service-level agreements and scope

A service level agreement (SLA) may specify response times, available support hours, preventive-maintenance responsibilities and reporting. It should distinguish response, restoration and permanent resolution; define exclusions and escalation; and not promise uptime beyond the supplier's actual control. Example: a camera integrator may support software remotely but cannot repair a customer's power failure under a normal support contract.

2.5 Managing product lines with clear economics

Track repeatability, engineering hours, product defects, training needs, service call burden and contract contribution. A fashionable feature with minimal buyer value may not justify its qualification cost. Decisions to discontinue a component should account for installed customers, regulatory requirements and spares obligations.

3 Various Routes: Identification and Development

3.1 Five routes for industrial offerings

Direct technical sales: internal specialists sell to accounts and coordinate delivery; often valuable for complex systems. **Distributors:** independent partners stock or source goods and serve geographic territories. **Value-added resellers (VARs):** partners bundle complementary products or configuration services. **System integrators:** engineering firms combine components into a functioning plant-level solution. **B2B portals:** buyers reorder standardized items or request

quotes online. Routes often overlap.

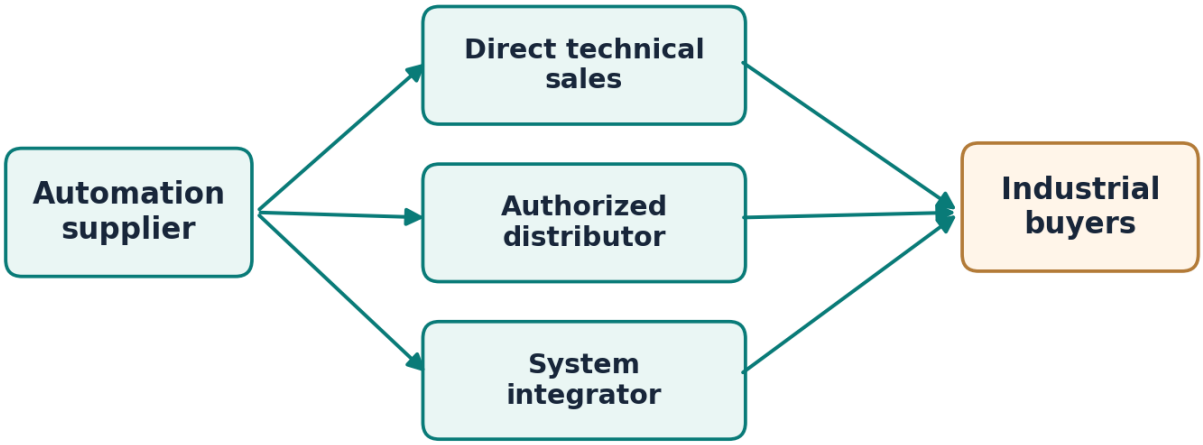

Figure 4. Original direct and indirect routes linking an automation supplier to different industrial buying contexts.

3.2 How route selection begins

The choice depends on product complexity, geography, buyer concentration, channel capabilities, need for commissioning, logistics, cost-to-serve and control of the customer relationship. A small standardized sensor sold across many locations may be suited to distributors and portals. A bespoke robotic welding line may require direct design meetings and an experienced system integrator.

3.3 Developing a new route

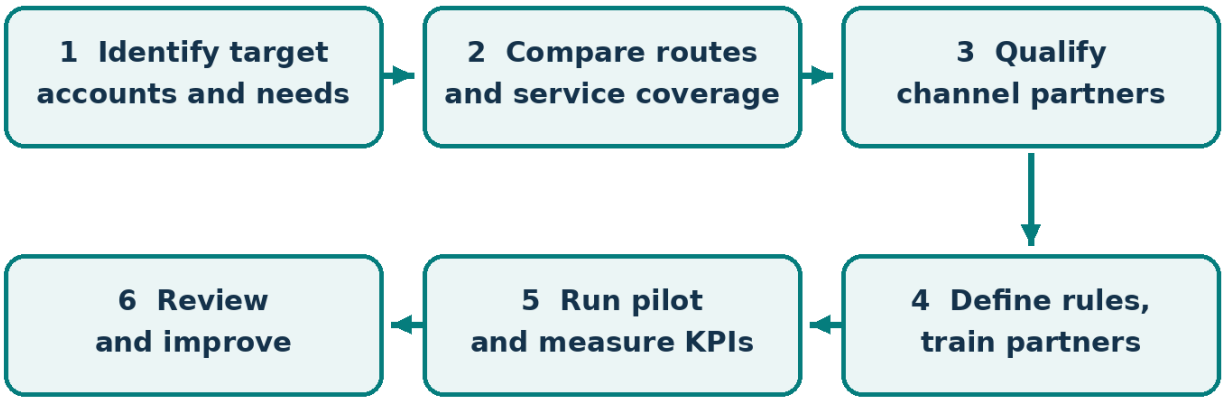

Figure 5. Original channel-development sequence, including partner qualification and outcome review.

1. Map eligible accounts and required technical/service coverage.
2. Compare route alternatives with explicit performance metrics.
3. Qualify partners for capability, ethics and financial continuity.
4. Define pricing rights, training, territory, lead ownership and escalation.
5. Test the route on a bounded pilot with verified customer outcomes.
6. Review partner performance and make changes based on evidence.

3.4 Channel conflict and governance

A direct sales team and distributor can compete for the same industrial opportunity. Establish clear territory rules, quotation responsibilities, deal-registration terms where lawful, service ownership and customer escalation paths. Do not assume a hybrid strategy is conflict-free simply because it reaches more accounts.

Example channel rule
A factory requests a control module from the website but also requires an installation service that a distributor cannot provide. The supplier defines whether the channel remains the seller of record, whether an integrator handles acceptance, how service revenue is shared, and who the customer contacts if performance fails.

4 Routes to Market: Commercial Design

4.1 Direct, indirect and hybrid strategies

A *direct route* keeps selling and customer communication within the supplier's team. An *indirect route* uses partners who provide access, stock, integration or service. A *hybrid route* combines them for different accounts or products. None is intrinsically best; select by customer needs and total channel economics.

4.2 Cost-to-serve includes more than commission

A channel can require sales engineering, travel, demos, warehouse stock, credit risk, returns, warranty service and technical escalation. Comparing only distributor margin with sales salaries is misleading. Use the same time horizon and scope in both alternatives.

Worked numerical 2: comparable route contribution
A hypothetical industrial module sells for ₹1,00,000 with unit manufacturing cost ₹65,000. Under a direct route, attributable selling and fulfillment cost is ₹15,000, leaving $100000 - 65000 - 15000 = \boxed{20,000}$ contribution. Under an indirect route, assume the supplier invoices the distributor ₹86,000 and incurs ₹5,000 in additional route-specific support, leaving $86000 - 65000 - 5000 = \boxed{16,000}$. These are *per-unit illustrative contributions before common overhead*, not a recommendation. The indirect route may justify itself through reach, inventory and higher total volume, which are not quantified here.

4.3 Useful route-to-market KPIs

Channel coverage, qualified lead conversion, first-time technical acceptance, on-time delivery, service complaints, unit contribution and returns are examples. No single percentage covers all required outcomes. Channel economics should not bypass the safety and qualification gates applicable to a product.

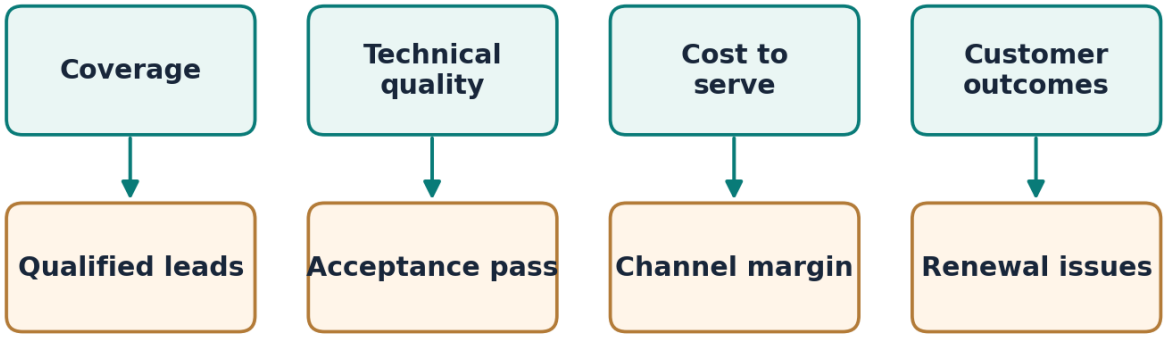

Figure 6. Original route scorecard: reach, acceptance, cost and customer outcomes must be assessed together.

4.4 Channel alternatives and decision evidence

Route	Common strength and potential limitation
Direct sales	Strong technical control; expensive coverage over many small accounts
Distributor	Local reach and stock; quality of technical advice depends on partner capability
VAR / reseller	Can bundle products; contract needs explicit scope and ownership
System integrator	Supports complex projects; lifecycle accountability must be clear
B2B portal	Efficient reorder path; may not serve novel engineering questions

5 Price Setting in Business-to-Business Markets

5.1 A quotation is both a price and a contract scope

Pricing considers the cost of meeting the specification, value to the customer, competing alternatives, risk, demand, channel economics and contractual terms. An industrial quote should identify units, currency, taxes, delivery, installation, warranty, support scope, validity and acceptance assumptions. A high list price and large discount can be less informative than the final net realized price.

5.2 Four major pricing approaches

Cost-plus: add a specified markup to an adequately measured cost base. **Competition-oriented:** assess comparable market offerings and constraints; a competitor's price without its scope is misleading. **Value-based:** estimate customer willingness-to-pay based on credible operational benefits and alternatives. **Negotiated/contract pricing:** account for volume, schedules, service commitments and risk allocation. In practice approaches can be combined.

5.3 Markup and gross margin are different percentages

Markup on cost $= (P-C)/C$. **Gross margin on price** $= (P-C)/P$, where P is the selling price and C the *defined corresponding cost*. A markup of 25% is not a margin of 25%.

Worked numerical 3: markup versus margin

Suppose unit cost is ₹80,000. A 25% *markup on cost* sets price $80000(1.25) = \boxed{₹1,00,000}$. Gross margin on selling price is $(100000 - 80000)/100000 = \boxed{20\%}$.

For a target gross margin of 25% at the same defined unit cost, solve $P = 80000/(1-0.25) = \boxed{₹1,06,666.67}$ (before taxes, channel costs and other adjustments).

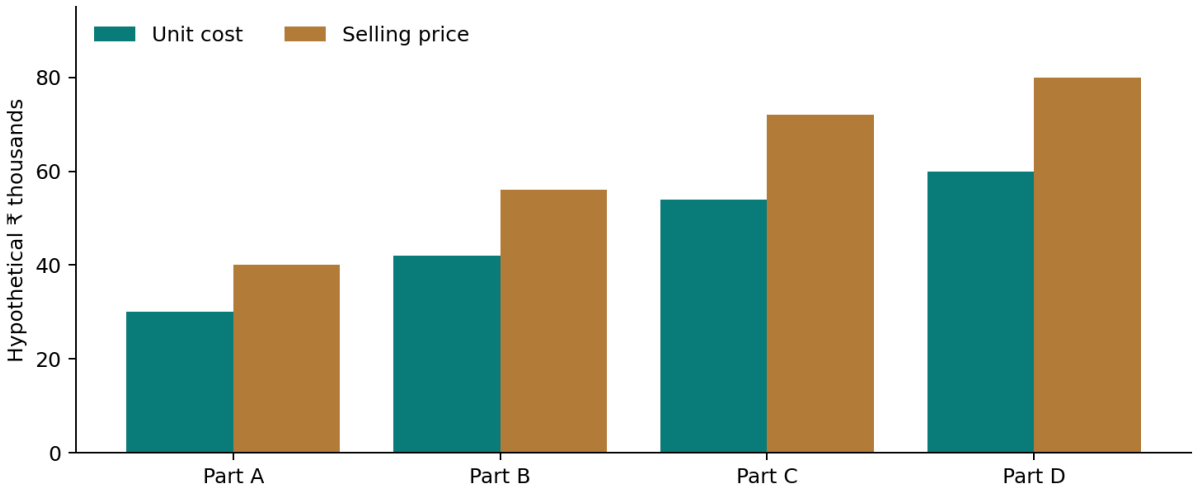

Figure 7. Original simulated prices and costs; the displayed gap is monetary contribution before omitted expenses.

5.4 An explicit price waterfall

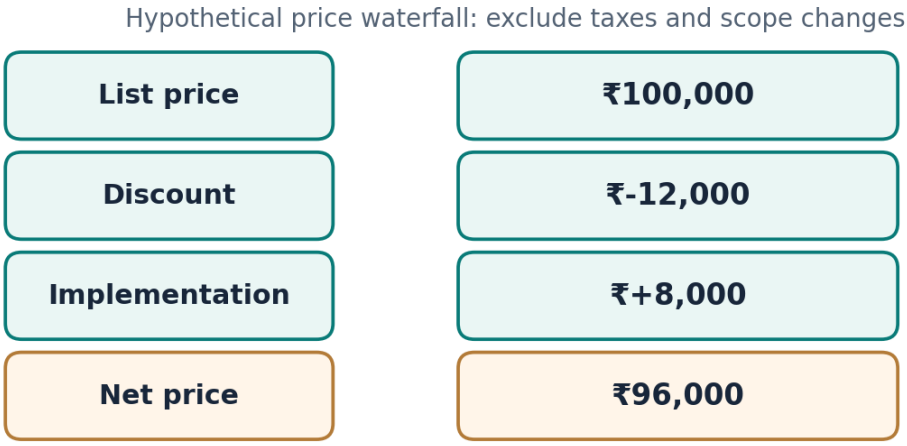

Figure 8. Original synthetic price waterfall: list price, contractual discount, separate implementation and resulting net charge.

Worked numerical 4: net customer charge
A fictional equipment quote lists ₹1,00,000 and offers a 12% discount on *equipment only*. The discounted equipment price is $100000(1 - 0.12) = \boxed{₹88,000}$. A separately agreed ₹8,000 installation line yields a subtotal of $\boxed{₹96,000}$, excluding tax and other contractual adjustments. A supplier's realized revenue may differ due to returns, credits, penalties or nonpayment.

5.5 Cost and value form constraints, not guarantees

A supplier should understand the costs of meeting requirements and the customer's realistic alternatives. Estimated buyer value is uncertain and may differ by application. There need not be a feasible price that satisfies both: the required cost might exceed what customers are willing to pay, especially if claimed benefits cannot be verified.

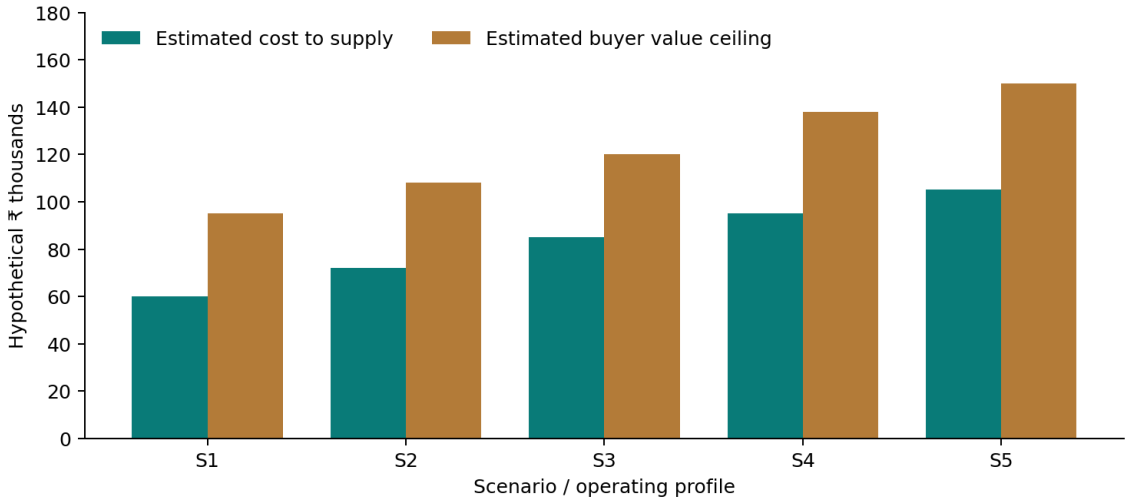

Figure 9. Original hypothetical cost-versus-value scenarios. Values are teaching assumptions, not measured market willingness-to-pay.

5.6 Break-even volume depends on model structure

If a product has fixed costs of ₹20 lakh for the specified period and a per-unit contribution of ₹50,000 after variable costs, the algebraic break-even count is $2000000/50000 = \boxed{40 \text{ units}}$. This requires stable price and variable cost, sufficient demand and capacity, and all relevant fixed costs correctly included. It does not demonstrate profitability if 40 units cannot be sold or manufactured.

5.7 Negotiation, tendering and ethical boundaries

Price and scope can be negotiated together: volumes, installation, delivery, warranty, performance responsibilities, payment terms and change requests matter. Do not make unsupported savings claims, conceal contractual exclusions or misrepresent compliance status. An industrial buyer may prefer a more expensive proposal with transparent service obligations if its total expected cost and risks are better.

Correcting the source slides
"Cost-plus guarantees cost coverage" is false without reliable cost measurement, sufficient profitable sales, and appropriate recognition of all fixed/-variable costs and contract adjustments. *Cost-plus is a pricing method, not a guarantee of realized sales or profitability.*

6 Unit IV Exam Preparation

6.1 Answer guide for a 7-mark question

Question: Explain routes to market and their identification in business marketing. Define routes as the channels used to reach industrial buyers. Explain direct sales, distributors, VARs, integrators and electronic portals. Discuss product complexity, service coverage, account concentration, cost-to-serve and partner qualifications. Present a channel-design sequence: research $\rightarrow$ alternatives $\rightarrow$ partner selection $\rightarrow$ commercial/service rules $\rightarrow$ pilot $\rightarrow$ KPI review. Conclude with a robotics example, the potential for channel conflict and the need to document customer responsibility.

6.2 Short comparisons

Distinction	Exam-ready explanation
4Ps vs 7Ps	Four commercial levers versus a services-oriented expansion
Product vs full offering	Equipment alone versus services, terms and support
Direct vs indirect channel	Supplier sells directly versus intermediary involved
Markup vs margin	Profit share of cost versus profit share of selling price
Value vs cost-based price	Buyer benefit and alternatives versus supplier cost foundation

6.3 Quick practice questions

1. Define marketing management for an industrial supplier.
2. Explain the 4Ps and expanded 7Ps with examples.
3. Why do engineers care about the bundle of product and support?
4. Describe standardized versus customized product offerings.
5. Define the major direct and indirect B2B routes.
6. Explain channel development and governance.
7. Define the cost-to-serve and two possible metrics.
8. Compute price at 25% markup on ₹80,000 cost.
9. Compute a price for 25% gross margin on ₹80,000 cost.
10. Calculate equipment net price after 12% discount.
11. Explain the limitations of simple break-even calculations.
12. Distinguish a hypothetical value estimate from verified customer ROI.

Final Five-Topic Exam Map

Marketing management: research, plan, coordinate, measure, revise.
Offering management: equipment, software, installation, service and lifecycle.
Route identification: compare direct, partner, integrator and online paths.
Routes to market: qualify partners, clarify ownership, test cost and quality.
Price setting: state cost base, markup versus margin, discounts, contract scope and feasibility.

Pricing Formula Quick Check

Define the cost base before using formulas.
Markup on cost: $(P - C)/C$. **Margin on price**: $(P - C)/P$.
Price after discount: list price $\times(1 - d)$ where d is the stated discount fraction; check which quotation lines are eligible.
Break-even units: fixed cost divided by unit contribution, only when price, cost and volume assumptions are valid.
Mini check: Cost ₹80,000 with 30% markup gives price ₹1,04,000. Gross margin at that price is $24000/104000 = \boxed{23.08\%}$, *not* 30%.

References and Review Boundary

Course sources reviewed: official two-page SPPU Business Marketing syllabus; complete extracted text from Google Drive *Unit 4_Managing the Marketing*.

Cross-check sources: NPTEL Business Marketing - Technology Focus (IIT Kanpur), https://nptel.ac.in/courses/110104507; NPTEL B2B Marketing (IIT Roorkee), https://nptel.ac.in/courses/110107168; OpenStax *Principles of Marketing*, https://openstax.org/books/principles-marketing/pages/12-2-the-five-critical-cs-of-pricing and https://openstax.org/books/principles-marketing/pages/17-2-types-of-marketing-channels.

Limits: All prices, forecast counts, company descriptions and KPI values in the worked questions are illustrative. No actual supplier, customer or contract data was used. Technical and commercial terms require independent verification and academic proofreading before production publication.

ZENITH STUDY HUB

BUSINESS MARKETING | UNIT IV

Syllabus-derived exam-answer supplement

SPPU TE Robotics & Automation | 2024 Pattern | Unit IV: 8 teaching hours

Source status: The available department question bank covers only Units I–II. These are original syllabus-derived practice answers, not verified university exam questions or a department Unit IV question bank.

Exact Unit IV syllabus headings

- Basics of Marketing Management
- Management of Product Offerings
- Various Routes: Identification and Development
- Routes to Market
- Price Setting in Business-to-Business Markets

How to use this edition

The existing 16-page Zenith Unit IV guide already explains 4Ps/7Ps, offering management, channel selection, pricing and worked arithmetic. This supplement expands these into clearly framed, exam-writable model answers with an integrated robotics case, a comparison table and additional price numericals. Read original Sections 1–6 before writing the following answers.

Exam response template

For a descriptive question: define → draw or list the process → explain 5–7 distinct points → add a robotics example → conclude. For pricing, always identify the cost base, discount eligibility, taxes/exclusions, units and the decision assumption. Do not presume a specific marking rubric.

Publication limits

All companies, prices, KPI values and demand numbers in this supplement are hypothetical learning examples. No named company’s market share, product compliance, real selling price or financial return is asserted. This is a review candidate, not a college-approved publication.

Practice 1 — Basics of Marketing Management

Question: Explain marketing management, its main functions and the marketing-mix decisions for an industrial robotics supplier.

Definition and process

Marketing management is the planning, implementation, coordination and evaluation of activities that create, communicate and deliver value to a selected customer market while meeting organizational objectives.

Market analysis → Segmentation → Targeting → Positioning → Marketing-mix plan → Execution → Feedback and control.

Functions with robotics examples

• Analyze needs: study equipment downtime, productivity constraints, safety requirements and buyer budgets.

• Segment and target: group customers by industry, process, technical maturity and service reach, then choose feasible accounts.

• Define positioning: specify a truthful advantage, e.g., validated integration support for flexible robot cells.

• Plan the 4Ps: product = robot and service bundle; price = quotation and lifetime terms; place = direct/integrator route; promotion = technical documentation and demonstrations.

• Extend to 7Ps when services matter: people = trained engineers; process = change control and commissioning; physical evidence = test reports and acceptance records.

• Implement and measure: monitor qualified leads, accepted installations, cost-to-serve, on-time delivery and customer outcomes.

Short comparison

4Ps	Services-oriented 7Ps extension
Product, Price, Place, Promotion	Add People, Process, Physical Evidence

Conclusion

Industrial marketing management must align buyer needs, engineering capability, reliable channels and commercial viability; promotion alone cannot compensate for an unsuitable solution.

Practice 2 — Managing Product Offerings

Question: Describe product-offering management for an automation company and explain how lifecycle, customization and services affect the offering.

Meaning

An industrial product offering is the complete customer-facing bundle of hardware, software, integration, training, documentation, maintenance and agreed service responsibilities.

Six management decisions

• Specify value: define the customer job and acceptance requirements rather than advertise isolated features.

• Define the bundle: identify what equipment, software licences, installation and training the quoted price includes.

• Manage the lifecycle: introduction, growth, maturity and retirement are useful planning stages, not guaranteed time-based transitions.

• Control variants: standardize compatible configurations, while charging and scheduling engineering changes explicitly.

• Support service delivery: agree spare-part access, escalation, warranty scope, response windows and lifecycle-support boundaries.

• Review economics and risk: assess contribution, reliability, support burden, obsolescence and customer feedback; do not rank solely by selling price.

Illustrative product bundle

Component	What the buyer must verify
Industrial robotic arm	Payload, reach, repeatability and tested duty assumptions
Controller and software	Interface compatibility, licenses, data access and updates
Installation and training	Site preparation, acceptance tests, staff responsibilities
Support and spares	Warranty exclusions, escalation, availability and lead time

Simplified lifecycle cost

Equipment ₹2.50 lakh, annual service ₹0.20 lakh and annual electricity ₹0.10 lakh over four years: 2.50 + 4(0.20 + 0.10) = ₹3.70 lakh. It excludes discounting, taxes, repair uncertainty, downtime and salvage value, so it is a partial TCO illustration.

Conclusion: A well-managed offering clarifies customer value, technical performance, contractual scope and support responsibility across its usable life.

Practice 3 — Identifying and Developing Routes

Question: Explain the identification and development of routes to market for a robotics manufacturer.

Definition

A route to market is the organizational and commercial path by which an offering reaches, is sold to, installed for and supported at the customer. Route identification selects suitable alternatives; route development builds and governs them.

Typical options

Route	Suitable context and limitation
Direct technical sales	Complex high-value systems; high internal selling and support effort
Distributor	Catalog parts and geographic reach; supplier must manage technical competence
System integrator	Turnkey robotics applications; responsibilities must be documented
Value-added reseller	Configured industrial products; training and service qualification matter
Digital portal / tender	Standardized procurement; does not remove commissioning obligations

Development sequence

• Map customer requirements: applications, locations, purchase volumes, interfaces and commissioning needs.

• Screen routes: compare reach, technical capability, selling costs and customer control.

• Qualify partners: assess engineering skills, service coverage, ethics, finance and continuity.

• Agree commercial design: define seller of record, quotes, margins, customer data, warranty and escalation.

• Train and pilot: support technical demonstrations, test hand-offs and gather acceptance evidence.

• Review KPIs: qualified opportunities, first-time acceptance, on-time delivery, gross contribution and customer cases.

Example and caution

A robot-cell supplier may sell directly to automotive OEMs while working through qualified integrators for smaller custom installations. If a customer orders online but needs on-site safety validation, the contract must explicitly identify who supplies and accepts that service. A sales portal is not itself proof of safe installation.

Conclusion: Channel selection is a technical-service and contractual decision, not merely a question of geographic coverage.

Practice 4 — Routes-to-Market Design Decision

Question: Evaluate direct, indirect and hybrid routes for a manufacturer introducing an industrial robotic inspection system.

Evaluation criteria

• Buyer concentration: a few strategic OEMs may justify direct account teams.

• Technical complexity: process trials, customization and integration need accountable engineering support.

• Geographical reach: partner networks may reduce travel burden when customers are distributed.

• Service capability: emergency repairs and spare-part availability must be feasible.

• Commercial control: compare cost-to-serve, pricing visibility, contract ownership and channel conflict.

• Risk: include cybersecurity, customer-data access, compliance and supplier continuity.

Illustrative route-selection matrix

Dimension	Direct	Integrator / partner	Hybrid
Technical control	High internal control	Contract-dependent	Shared with governance
Geographic reach	Limited by own team	Potentially wider	Selective expansion
Service burden	Mostly internal	Must qualify partner	Split by clear responsibility
Common risk	High fixed selling cost	Partner quality variability	Overlap / channel conflict

Decision with stated assumptions

For a hypothetical supplier serving five large automobile plants requiring custom acceptance testing, direct engineering-led selling may be suitable. For dispersed smaller factories needing standardized cells with local installation, a qualified integrator may offer better reach. A hybrid route can cover both segments but must document lead ownership, pricing boundaries, warranty hand-offs and customer escalation.

Useful route KPIs

Qualified conversion = eligible qualified leads ÷ eligible leads; on-time delivery = on-time eligible deliveries ÷ eligible deliveries; first-pass acceptance = systems accepted at first documented test ÷ systems submitted; contribution = realized net revenue minus defined variable and cost-to-serve expenses.

Conclusion: Select the channel that meets customer support and acceptance requirements at a sustainable total cost; no route is universally best.

Practice 5 — Price Setting in B2B Markets

Question: Explain methods and factors of B2B price setting, with worked examples for an automation system.

Major approaches

• Cost-plus: add a declared markup to an adequately measured cost base; verify fixed and variable expenses.

• Competition-oriented: compare like-for-like prices, specifications and service obligations.

• Value-based: estimate willingness to pay based on evidenced buyer outcomes and alternatives.

• Negotiated / contract: incorporate volumes, scope, payment, warranty, installation and delivery obligations.

Core equations

Markup = (P − C) / C × 100%; gross margin = (P − C) / P × 100%; price for target margin = C / (1 − m). Here P is price, C is the same-scope cost, and m is margin expressed as a fraction.

Numerical A — Markup versus margin

Defined cost ₹80,000. At 25% markup, price = ₹80,000 × 1.25 = ₹1,00,000. Margin = (₹1,00,000 − ₹80,000) / ₹1,00,000 = 20%, not 25%. For a 25% target margin, P = ₹80,000 / 0.75 = ₹1,06,666.67. Taxes and other cost lines remain excluded.

Numerical B — Discounted industrial quotation

Equipment list price ₹1,00,000 with 12% equipment-only discount gives ₹88,000. Add separately quoted installation ₹8,000: customer subtotal ₹96,000, excluding GST, freight and other contract adjustments. Do not discount the installation line unless explicitly eligible.

Numerical C — Break-even units

Fixed cost for period ₹20,00,000; selling price ₹1,50,000; relevant variable cost ₹1,00,000 per unit. Contribution = ₹50,000/unit. Break-even = 20,00,000 / 50,000 = 40 units. This is only feasible if demand and capacity allow 40 sales with stable unit economics.

Decision factors and conclusion

Verify quality, customer switching costs, competing offers, risk, capacity, demand, cost accuracy, terms and legal compliance. An aggressive discounted quote can still lose money when support and installation scope are omitted. Pricing requires a defensible cost base and a credible customer value case.

Integrated Unit IV Case — Launching a Robot Cell

Original practice case: A hypothetical automation manufacturer plans to launch a modular vision-guided inspection cell to medium-sized factories. Potential customers differ in installed PLCs, commissioning expectations and after-sales service requirements.

Integrated answer across five syllabus topics

• Marketing management: analyze customer inspection needs, segment by process and installed technology, target serviceable plants, and position the cell on validated usability and support.

• Managing offerings: bundle camera, robot, control software, documented acceptance, training and optional maintenance; separate baseline and optional scope.

• Route identification: evaluate direct technical sales, integrators and qualified distributors against complexity, geography and after-sales capability.

• Route development: qualify partners, define roles and commercial terms, run installations with customer acceptance records, and review conversion, service and delivery KPIs.

• B2B pricing: calculate the complete cost base, compare credible alternatives, estimate customer value and make explicit discounts, exclusions and installation charges.

Rapid question checklist

• Define marketing management and explain 4Ps versus 7Ps.

• Draw the management cycle and a basic STP flow.

• Distinguish a physical product from a complete industrial offering.

• Compare direct, partner and hybrid routes.

• Explain the stages of route identification and development.

• Explain four B2B pricing approaches and their limitations.

• Differentiate markup and gross margin numerically.

• Calculate quotation totals and break-even units with stated assumptions.

Revision cross-reference

Original Unit IV v1: management concepts and 7Ps (pp. 2–4); offering management (pp. 5–6); channel identification and routes (pp. 7–10); B2B pricing and worked examples (pp. 11–14); recap and source ledger (pp. 15–16). The new pages strengthen answer form and applied decisions, rather than replacing the original explanations.

Source integrity

Course scope: supplied SPPU Business Marketing syllabus, Unit IV, 8 teaching hours. Existing baseline: Zenith BM Unit IV original 16-page notes. Provided department question bank: Units I and II only. All new questions and cases are clearly original practice. Numerical arithmetic reviewed independently; academic and full figure QA remain open before publication.