

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT**

BENS 312: SMALL BUSINESS MARKETING

STREAMS: BENS (Y3S2)

TIME: 2 HOURS

DAY/DATE: THURSDAY 8/8/2016

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

- (i) **SECTION A – QUESTION ONE IS COMPULSORY**
- (ii) **SECTION B – ANSWER ANY OTHER TWO QUESTIONS**

SECTION A

QUESTION ONE (30 MARKS) – COMPULSORY

MORDEX PHOTOCOPIER BUSINESS

You have an appointment to see George sales office manager of Plastic Foods Ltd, with regard to the hire of a mordex photocopier. You are bristling with anticipation as you know the present contract that Plastic Foods has with clear print, your closest competitor, is up for renewal. You have not met Mr. George before.

As you enter Mr. George office you notice that he appears a little under pressure.

After introducing yourself, you say, I'd like to talk with you about how we can improve the efficiency of your photocopying operation. I see that you use the clear print ZXR photocopier at the moment. What kinds of documents do you photocopy in the sales office?

The discussion continues, with you attempting to assess his staff's requirements with regard to photocopying facilities and his attitude towards the clearprint machine. One need is the ability of the photocopier to collate automatically since some of the documents photocopied are quite lengthy. Another requirement is for the photocopy to be of the highest quality since it is usual for photocopies of standard letters to be sent to clients. The clearprint photocopier does not have a collating facility and the quality, while passable, is not totally satisfactory.

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Further, there are sometimes delays in repairing the machine when it breaks down, although generally it is quiet reliable.

At the end of the discussion you summarize the points that have been raised: staff time is being wasted collating lengthy documents; the quality of Photostat is not totally satisfactory; repairs are not always carried out promptly. Mr. George agrees that this is a fair summary.

Required:

1. (a) During the sales interview the following objections were raised.
How would you deal with them?
 - (i) I'm sorry, I have an urgent meeting in ten minutes' time. Can we make it quick? [3 marks]
 - (ii) We haven't had any major problems with the clearprint so far? [3 marks]
 - (iii) Doesn't your firm have a bad reputation? [3 marks]
 - (iv) Aren't your hiring charges much higher than clearprint's? [3 marks]
 - (v) My staff have got used to using the clearprint. I'll have to spend time showing them how to use your machine? [3 marks]
 - (vi) Let me think about it. The clearprint representative is coming next week. I should like to discuss the points you've raised with him? [3 marks]
- (b) After completing your degree in Chuka University, you start your own consultancy firm. You have secured a tender to provide marketing communication services to a client. You have been invited to boardroom to make a presentation entitled, 'above the line and below the line' strategies in advertising industry.

Required:

Explain to your prospective client.

- (i) Above the line advertising strategies [6 marks]
- (ii) Below the line advertising strategies. [6 marks]

SECTION B – ANSWER ANY OTHER TWO QUESTIONS

QUESTION TWO

- (a) How is a small business potentially in a better position to achieve customer satisfaction than a large firm. [10 marks]
- (b) Explain three examples of small business brands that have been recently repositioned. How has this been implemented and for what reasons? [10 marks]

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QUESTION THREE

- (a) Using local examples discuss the wheel of retailing in Kenya small business.[10 marks]
- (b) (i) Identify and evaluate a local site that is now vacant because of a business closure.
(ii) Explain the strengths and weaknesses of the location for the former business and comment on the part location may have played in the closure. [10 marks]

QUESTION FOUR

- (a) (i) Explain the credit management procedures used to collect bad debts for a small business owner in your local community who extends credit to customers. [5 marks]
- (ii) Explain policies for evaluating credit applications, summarize your findings in a report. [5 marks]
- (b) (i) Explain the characteristics of services in a small business that marketers must consider when designing marketing programs. [5 marks]
- (ii) How do the services offered by a dentist differ from those offered by a chemist regarding these characteristics. [5 mars]
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