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University Examinations 2023/2024

FIRST YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE MASTER OF
SCIENCE IN ENTREPRENEURSHIP

BBE 5103: MARKETING FOR SMALL ENTERPRISES

DATE: APRIL 2024

TIME: 2 HOURS

INSTRUCTIONS: Answer question *one* and any other *two* questions

QUESTION ONE (24 MARKS)

Marketing innovations

Initially Bryony had thought that the only way to expand his business was to increase sales through the shops. Now he had another plan. Customers he attracted at the moment were primarily householders buying pictures for home decorations. They sometimes attracted orders from businesses, however, who wanted a quantity of framing for a variety of applications. Bryony decided to focus her expansion plans on this commercial market. In talking to local businesses, she discovered that some had a need for a high volume of standard framing.

When she visited various business premises, she noticed that many did not have pictures on their walls. On probing office managers, she discovered that many were receptive to the idea of improving the environment but did not have the time or budget (or both) to do anything about it.

She came up with the idea of a hire purchase scheme. She would take away all the problems of the office managers by advising them on the pictures and frames to select, allowing them to be purchased over one year by instalment plan.

There were a number of marketing issues to resolve. A key issue was which market to focus on first. There was a wide range of possible commercial clients: advertising agencies and design studios often needed artwork framed or mounted for display and exhibitions. Larger companies

framed certificates and awards for employees. She also discovered that the office environment of most organizations, large and small, could be improved by the addition of appropriate framed art.

Another issue was the pricing structure, as she realised, she would have to offer incentives over normal retail prices to attract commercial business. She believed that buyers for other end uses, such as office décor and exhibitions, would be less price sensitive but that the order quantities were likely to be lower.

Her biggest concern was how to attract customers in the first place.

Questions:

- i. Recommend a targeting strategy for bryony. How would she decide on which markets to target and why? (8 marks)
- ii. Recommend the marketing methods she should use for each of the proposed target markets, in the short and longer term? (8 marks)
- iii. How could she find out more about the target groups? What information-gathering tactics could she use? (8 marks)

QUESTION TWO (12 MARKS)

- a) In what ways can the small business owner involve others in the distribution of their products and services. What are the advantages and disadvantages of using intermediaries? (6 marks)
- b) In what ways can entrepreneurs in particular benefit from the internet in marketing their business? What benefits do other advances in telecommunications such as email give to small business? (6 marks)

QUESTION THREE (12 MARKS)

- a) Entrepreneurs seem to have an instinctive feel for developments in their marketplace. What is the source of this? (6 marks)
- b) How can they keep themselves up to date? (6 Marks)

QUESTION FOUR (12 MARKS)

- a) What particular marketing methods or techniques are entrepreneurs most likely to use (6 marks)
- b) Write out a list of potential marketing methods with an assessment or rating of how useful each is likely to be for a small firm. (6 marks)

QUESTION FIVE (12 MARKS)

Small firms face particular marketing issues because of inherent characteristics such as size, resources and market share. Can you suggest what some of these specific problems might be?

(12 Marks)