



GARISSA UNIVERSITY

UNIVERSITY EXAMINATION **2017/2018** ACADEMIC YEAR **THREE**
FIRST SEMESTER EXAMINATION

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 330

COURSE TITLE: CHANNEL MANAGEMENT

EXAMINATION DURATION: 3 HOURS

DATE: 08/12/17

TIME: 09.00-12.00 PM

INSTRUCTION TO CANDIDATES

- The examination has **SIX (6)** questions
- Question **ONE (1)** is **COMPULSORY**
- Choose any other **THREE (3)** questions from the remaining **FIVE (5)** questions
- Use sketch diagrams to illustrate your answer whenever necessary
- Do not carry mobile phones or any other written materials in examination room
- Do not write on this paper

This paper consists of **TWO (2)** printed pages

please turn over



QUESTION ONE (COMPULSORY)

A sales agent/representative has made several calls on a prospect for a \$3800 projection display system. The prospect finally asks for a quote of price and delivery, and the representative quotes factory list price of \$3800 and two weeks delivery. Both price and delivery are dictated by the manufacturer. Meanwhile, the prospect receives a second quote, from one of the manufacturer's authorized distributors, of \$3100 and immediate delivery on the same system. The distributor gets the order, and the sales representative loses both his commission and his credibility with the customer. This is a case of channel conflict between a sale representative and a distributor. **Required**

- (a) Explain five typical channel conflicts between channel members **[5 marks]**
- (b) Channel conflicts are caused by manufacturers, channel members, and/or customer, Giving examples, explain the types of conflicts originating each of the players mentioned above **[15 marks]**
- (c) Suggest five methods companies can adopt to manage conflicts **[5 marks]**

QUESTION TWO

- (a) Discuss the factors considered when selecting distribution channels **[8 marks]**
- (b) Explain the key characteristics of wholesalers **[7 marks]**

QUESTION THREE

- (a) Discuss the importance of material handling in the process of physical distribution of goods and materials **[7 marks]**
- (b) Describe the steps involved in designing a marketing channel **[8 marks]**

QUESTION FOUR

- (a) With examples, explain two main types of retail trade **[5 marks]**
- (b) Explain the meaning of a marketing channel of distribution and why intermediaries are needed in the distribution channels **[10 marks]**

QUESTION FIVE

- (a) Distribution channels are not limited to the distribution of physical goods. Producers of services also use channels to reach their target consumers. Using examples, give types of services and the different channel they use **[5 marks]**
- (b) Wholesalers and retailers act as middlemen in the channel of distribution. Discuss the difference between retailers and wholesalers **[10 marks]**

QUESTION SIX

- (a) Explain why it is necessary to appraise channel members **[8 marks]**
- (b) Explain how channel members can incorporate ICT in their operations achieve effectiveness **[7 marks]**

