

Problem cards



You have never advertised. What are some good ways to let people know about your product?



The Health Inspector says you must close down. What do you do?



A relative wants to become a partner in your business. She offers cash to double your business and wants half of your profits. What do you tell her?



Several customers ask you to open earlier in the morning. Other customers want you to stay open later in the evening. How do you decide?



A competitor has lowered prices below yours. You cannot make a profit if you match hers. What do you do?



A young man whom you do not know offers to watch your shop after closing hours to protect it from vandals. He says other businesses pay him for this service. What would you do?



Your old customers seem to be going to other sellers. What should you do?



A local government official asks you for free products or services. What do you do?

Problem cards



You have a bakery that sells bread, but you would like to sell "sweets" also. How do you decide whether to add the new product?



A local merchant with a truck buys vegetables from you and your neighbours and sells them in a nearby town. You think he is not paying enough. What can you do?



You own a bicycle repair service. Some people say you charge too much for your work. How do you decide whether to change your prices?



You offer gardening services to people with homes in a nearby city. What would be some good ways to let others know about your business?



Someone else opens a business selling products just like yours. What would you do?



You ran out of products after customers waited a long time. They are angry and say they will buy from another business. What would you do?



You want to set up a stall at the local market. As you decide where to locate your stall, what things would be important to you?



You are a member of a honey producing cooperative. You would like a local store to sell your honey. What would you say to the store owner to convince him or her?

Problem cards



Some friends and relatives want to buy from you on credit. What will you do?



You have an idea for a new product that may not be easily accepted in your community. How would you promote it?



Your product has a better market in the capital city but it is a perishable product. What would you do?



You produce milk but there are no centres for everyone to bring their milk to sell. How would you sell your milk?



Product Cards

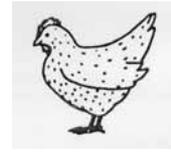
 <p>Q. You should make your product special or different from others.</p> <p>A. True (You should try to create an "identity" for your product in the market.)</p>	 <p>Q. Your product or service must meet your customers' needs.</p> <p>A. True (Selling excellent products that no one feels they need is difficult but sometimes you can create a new need for a product with good promotion.)</p>
 <p>Q. Customer demand for a product always remains the same.</p> <p>A. False (It can change with seasonal needs, price, competition.)</p>	 <p>Q. A new item may sell poorly at first but sales improve when its reputation grows.</p> <p>A. True (Usually, if it is a good product.)</p>
 <p>Q. There are three good ways to find out what customers want: asking them in customer surveys, observing what they buy and trial sale of products.</p> <p>A. True</p>	 <p>Q. If you can meet the needs of your customers better than your competition, this can make your business successful.</p> <p>A. True</p>
 <p>Q. Find someone who is successful in business and make your product like hers. Then you will be successful.</p> <p>A. False (You should make your product "special", different from anyone else's on the market.)</p>	 <p>Q. Only price determines whether customers will buy from you or your competition.</p> <p>A. False (Quality and location are also important.)</p>

Product Cards



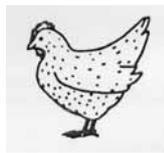
Q. Customers choose repair services based on price.

A. False (Customers usually choose repair services based on reputation of the shop.)



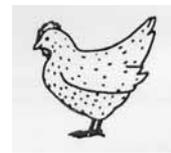
Q. Sales do not remain the same over long periods of time, so you must think of other ways to improve or expand your business.

A. True



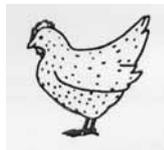
Q. You have decided to sell chickens. You need to re-examine that decision every five years.

A. False (You should evaluate the decision every few months.)



Q. Sales records help evaluate which products sell and which do not.

A. True



Q. The surest path to success is to sell what you are already good at producing, rather than what your customers want.

A. False (You should always produce what customers need or want.)



Q. You should sell the same products that are popular in the capital city.

A. False (You should sell what your customers want.)



Q. You run a small bicycle repair shop. The market for your services is everyone in the town, so you should not specialise or advertise to any specific audience.

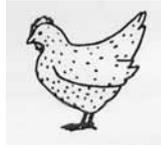
A. False (You should always find ways to target particular audiences.)



Q. Your friend's tailoring business has been very profitable this year, so it will probably be profitable next year too.

A. False (Many unexpected things could change her sales from year to year.)

Product cards



Q. A "market test", which means selling your product or service for a short time to see if people buy it, is a waste of time.

A. False (It is important to try a product before putting lots of money into production.)



Q. When you change a product, you need to decide if you are trying to create additional sales with present customers or to attract new customers.

A. True



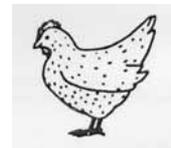
Q. A new businesswoman should not expect to make a profit in the first few months or, sometimes, the first year.

A. True (It takes time to establish a reputation for your enterprise and costs in the first year will be high.)



Q. Some women were selling brown eggs but their customers preferred white eggs. The only thing they can do is try and get white eggs to sell.

A. False (They could start an advertising campaign to persuade customers that brown eggs are better.)



Place (Distribution) Cards



Q. There are two ways to sell your product: by yourself or through middlemen.

A. True



Q. You will always make more money selling by yourself.

A. False (Selling your product by yourself can involve higher costs for transportation, storage, and so on. It takes more time too.)



Q. A middleman can sell your product for you or sell it to retailers to sell.

A. True



Q. Middlemen always charge unfair prices.

A. False (Some middlemen can save you money, if they charge less than your own costs for selling.)



Q. Your choice of how to distribute your product is an important decision.

A. True



Q. In most places, middlemen are the only way to distribute your product.

A. False (You can sell it yourself or join with other sellers in a cooperative.)



Q. Distribution means getting the product from the producer to the buyer.

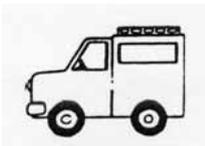
A. True



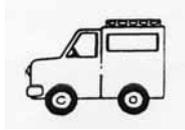
Q. Usually you can save money on distribution by reducing the number of people between you and the buyer.

A. True

Place (Distribution) Cards

 <p>Q. The grain producers in your area sell their product to a middleman to take to the city. They might reduce costs by renting a truck together and selling the grain themselves.</p> <p>A. True</p>	 <p>Q. Women in your area want to sell jam they make at home. A local store could be a good distributor for their product.</p> <p>A. True</p>
 <p>Q. People in your village sell the fish they catch to a middleman to take to a nearby town. You think the middleman pays too little for the fish, but friends tell you there is no alternative.</p> <p>A. False (Producers often set up cooperatives for transportation, storage and retail sales.)</p>	 <p>Q. Many businesses lose part of their products because of poor storage facilities.</p> <p>A. True</p>
 <p>Q. Middlemen are never willing to change their prices or policies.</p> <p>A. False (Middlemen, like you, want to make some profit. They need your business. Sometimes you can negotiate a change in what you pay middlemen.)</p>	 <p>Q. The greater the distance to the market, the greater the need for a middleman.</p> <p>A. True (Transportation and storage costs usually increase with distance.)</p>
 <p>Q. A good idea for a new business can be a "gap" in distribution.</p> <p>A. True (Women in one community started a bus service to help vegetable growers take their produce to a nearby city.)</p>	 <p>Q. Good businesses produce as much as possible all year round.</p> <p>A. False (It's important to plan your inventory to avoid loss or spoilage and to have products available when demand is the greatest.)</p>

Place (Distribution) Cards



Q. The best way to sell eggs in a small village is always door to door.

A. False (A small stand or local grocery store can be good outlets too.)



Q. Your place of sales should be near your customers.

A. True



Q. Selling your product yourself usually takes more time but it is always worth it.

A. False (Time is a cost too. Your time might be better used in production or promotion.)



Q. Good storage facilities are not very important in your business.

A. False (Agricultural or other goods can spoil and cause you to lose money.)



Promotion Cards

 <p>Q. "Promotion" means building a good image of your business in the community.</p> <p>A. True</p>	 <p>Q. Promotion adds to the cost of your product or service.</p> <p>A. True (But effective promotion also increases sales.)</p>
 <p>Q. Good promotion tells everything about your product or service.</p> <p>A. False (Emphasise the strong points, especially how the product benefits customers.)</p>	 <p>Q. These are good promotion measures: posters, home visits, loudspeakers, radio ads, handbills, good signs, and an interesting "look" at your place of business.</p> <p>A. True</p>
 <p>Q. Villagers with small businesses do not need to advertise their products.</p> <p>A. False (Everyone can increase sales or attract new customers by effective advertising.)</p>	 <p>Q. Word of mouth does not affect a business' sales.</p> <p>A. False (A business' reputation grows with satisfied customers.)</p>
 <p>Q. A business place that looks interesting may attract customers.</p> <p>A. True</p>	 <p>Q. Promotion means making people aware of your product and influencing them to buy.</p> <p>A. True</p>

Promotion Cards



Q. Free samples, displays and demonstrations are too costly for small business owners.

A. False (Sometimes they can increase sales.)



Q. Successful businesses have many loyal, long-term customers.

A. True



Q. Promotion can help create a new "need" in potential customers.

A. True (Some examples might be ball point pens, toothbrushes or shoes.)



Q. Promotion campaigns should aim to attract only new customers.

A. False (Some promotion can encourage existing customers to buy a new product.)



Q. Promotion involves two decisions. What is your message? How will you deliver the message?

A. True



Q. Your promotion message should tell customers the benefits they can expect from the product.

A. True



Q. Radio and newspaper ads are the only effective forms of advertising.

A. False



Q. This is a good marketing message: "Our chickens are so big - one chicken can feed a family of ten".

A. True (It makes the customers see how the product benefits their family in a personal way.)

Promotion Cards



Q. This is a good marketing message: "Our chickens eat good grain and vitamins".

A. False (The message does not tell how the chickens benefit the buyer.)



Q. There are three steps in selling: finding out customer needs, presenting your product and making the sale.

A. True



Q. All customers are interested in the same benefits from a product.

A. False (Some may be interested in saving money, others in better health, others in ease of use, etc.)



Q. Face to face selling is the best method for small businesses.

A. False (Face to face selling takes time. It is one method to consider but handbills or posters can be as effective.)



Price Cards



Q. To set the price of your product, you need to include "fixed costs" (costs that don't change such as rent), "variable costs" (such as supplies) and planned profit.

A. True



Q. "Fixed costs" are your business expenses such as rent and equipment that usually stay the same regardless of how many products you sell.

A. True



Q. It is always a good idea to sell your product at a lower price than other sellers in your area.

A. False (Sometimes you will lose money by selling at too low a price, even if you sell more.)



Q. If you charge more than another seller, customers will not buy from you.

A. False (Sometimes people buy because of location, quality and service.)



Q. The price of your product should cover your production costs, be fair to your customers and provide some profit for you.

A. True



Q. It is easy to compete with a larger business on the basis of price.

A. False (Large businesses can sell at lower prices so small business people must find other ways to attract customers, e.g. quality, service and location.)



Q. "Cost-plus" (adding your cost of producing and selling, plus a certain amount of profit) is a good way to set your prices.

A. True



Q. Your sister sells high quality cloth. A new seller offers a lower quality cloth at a lower price. Your sister should reduce her price.

A. False (She should change her promotion methods to emphasise quality and see if her customers continue to buy.)

Price Cards



Q. The amount of your profit depends on how much you charge, on customer demand, competition and other factors.

A. True



Q. Your profits should always be at least ten percent of your costs.

A. False (It depends on many things.)



Q. You are the only chicken seller in your area. Consequently you can raise prices as high as possible and stay in business.

A. False (Customers usually have some idea of "fair price". If your chickens are too expensive, customers may buy fish instead.)



Q. Setting prices below your costs is risky.

A. True (You will lose money over time. However, you may decide to price below costs if you are promoting a new product for a short time or you expect your production costs to drop.)



Q. Lower prices can increase your profits, if you attract more customers.

A. True (But you must sell enough to make up the difference.)



Q. It is important to review the price of your product or service on a regular basis.

A. True (Circumstances and customer needs can change, even in a few months.)



Q. These are things to think about when you set your price: your costs, your production levels, your competition and your customers.

A. True



Q. Customers always buy at the lowest price available.

A. False (Some buy for quality, service and location.)

Price Cards



Q. The price of your product does not need to include the costs of your rent and equipment.

A. False (Price must include both fixed costs, such as rent, and variable costs, such as supplies.)



Q. "Variable costs" change depending on how much business you do, e.g. the amount of supplies and packaging you use.

A. True



Q. Higher prices mean higher profits.

A. False (High prices might stop people from buying from you. Reduced prices can sometimes attract more customers and result in more profits.)



Q. Your price should remain the same all year long.

A. False (You may want to have special sales to attract new customers or increase sales.)

