STUDY ON CHALLENGES FACED BY ODANTHURAI PACKAGED DRINKING WATER FEDERATION DISTRIBUTORS

A SUMMER PROJECT REPORT (MBA703)

Submitted by

R.KRISHNAMOORTHI
Register No: 0920400020

Under the Guidance of

C.GANESHMOORTHY

in partial fulfillment for the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

in

Department of Management Studies

KUMARAGURU COLLEGE OF TECHNOLOGY
(An Autonomous Institution Affiliated to Anna University of Technology, Coimbatore)

COIMBATORE – 641 049

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KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE -641 049

Department of Management Studies

A SUMMER PROJECT WORK (MBA703)
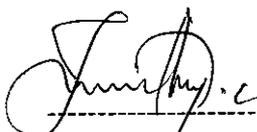**OCTOBER 2010**

This is to certify that the project entitled

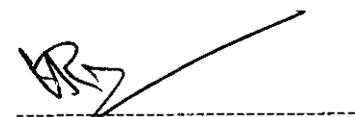## STUDY ON CHALLENGES FACED BY ODANTHURAI PACKAGED DRINKING WATER FEDERATION DISTRIBUTORS

is the bonafide record of project work done by
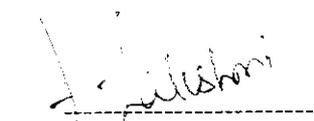
R.KRISHNAMOORTHI

Register No: 0920400020

of Master of Business Administration during the year 2010 – 2011

Project Guide

Head of the Department

Submitted for the Summer Project Viva-Voce examination held on _2 11·2010_

Internal Examiner

External Examiner

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CERTIFICATE

Odanthurai packaged Drinking Water Federation

Ref.

Date 23.08.2010

PROJECT CERTIFICATE

his is to certify that Mr.R.KRISHNAMOORTHI, Final Year MBA student of
CT Business School, Kumaraguru College of Technology, Coimbatore had
iccessfully completed his Summer Internship Project in our concern.

for,

ODANTHURAI PACKAGED DRINKING WATER FEDERATION

TNGST No. : 2842760 } dt 27-2-2006   IAC [1][8][7]
CST No.   : 868017

Odanthurai Package Drinking Water Feder...
Oomapalayam Palapatti (P.O.)
Odanthurai Village, Mettupalayam - 641 .

DECLARATION

DECLARATION

I affirm that the project work titled" **STUDY ON CHALLENGES FACED BY ODANTHURAI PACKAGED DRINKING WATER FEDERATION DISTRIBUTORS**" being submitted in partial fulfillment for the award of Master of Business Administration is the original work carried out by me. It has not formed the part of any other project work submitted for award of any degree or diploma, either in this or any other University.

R.Krishnamoorthi
0920400020

I certify that the declaration made above by the candidate is true

Mr.C.Ganeshmoorthy,
Lecturer

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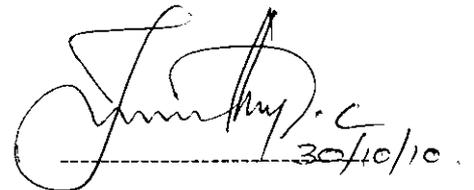
ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved chairman **Arutchelvar Dr. N.Mahalingam and Management** for the prime guiding spirit of Kumaraguru College of Technology.

I wish to express deep sense of obligation to **Mr.C.Ganeshmoorthy**, Lecturer KCT Business School, for his intensive guidance throughout my project.

I am greatly indebted to thank **Mr.C.Ganeshmoorthy**, Project Co-ordinator / Class Advisor and all other faculty members of KCT Business School for their kind support.

I thank **Ms.Promodhini**, Manager, Odanthurai Packaged Drinking Water Federation for his valuable guidance throughout my project

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ABSTRACT

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Firms that distribute multiple products through multiple channels must often decide which channel to enter, which channel to exit, and which product to sell in which channel. None of these are easy decisions because a firm's channel strategy is often intertwined with its product line, market segmentation, positioning, and targeting strategies. A firm's channel actions affect not only its own profits and consumer welfare but also its relationships with channel intermediaries and with other firms in the market.

The primary objective of Distribution channel is to change the business grows and it is a method of getting a product to its consumer. Distribution channels are part of a company's marketing mix.

SELF HELP GROUPS was cause for me to do this project at Odanthurai Drinking Water Federation. Marketing was keen interest towards my upcoming carrier which perceived me to this lane of marketing. Social cause is always a great concern towards me which made to contribute in identifying the problems in their distribution channels and to bring good strategies for the company.

Effective Distribution Channel makes the business grows and earns profit. For earning profit and brand their product the company can do promotional activities for reaching their name among the people. The main factors identified in Distribution channel of SUHAM packaged drinking water unit is that Marketing Techniques handled by SUHAM, Sales affecting Factors, popularity, brand name, services etc..,

But the company have inefficient distribution channel to promote their product. Distributors and retailers faced many problems in selling their brand among various peoples. The company doesn't take any measures for creating the brand image, offers, services, arranging meetings to the distributors and retailers, collecting feedback from the customers, etc...,

CHAPTER – 1

INTRODUCTION

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INTRODUCTION

Distribution is one of the four elements of the marketing mix. A number of alternate 'channels' of distribution may be available: **Distributor**, who sells to retailers, **Retailer**, who sells to end customers, Advertisement typically used for consumption goods. distribution channels often require the assistance of others in order for the marketer to reach its target market. Wholesalers and retailers are the channel to get their products to a specific group of people. Wholesalers market items to business owners that will in turn sell the products to consumers. Retailers sell products directly to consumers. Channels may change when businesses grow; sometimes a retailer will become a wholesaler and vice versa. Many companies do both retailing and wholesaling. A channel is a method of getting a product to its consumer. Channels are part of a company's marketing mix. A marketing mix refers to each business' unique combination of product, price, promotion and place. Affects the place or path through which consumers can buy and receive the product. Direct mail channels work on a large scale. Materials advertising the product and presenting an offer usually target a specific audience most likely to purchase the item.

Direct marketing materials inform and compel the target audience to take immediate action and respond at once by mailing in the order form. The reward for the urgent response is often a discount price or added value such as free gifts.

It has always being a part of front line defense and offence in order to improve the bottom line through reduces cost. It has power full impact on the organization return on assets than any other business function.

1.1 RESEARCH BACKGROUND-DESCRIPTION OF PACKAGED DRINKING WATER UNIT

Each and every day millions of litres of bottled water are gulped down by people across the whole country. From people in business meetings, meeting clients, at event promotions and trade stands, from people involved in sports to schools, colleges, and even families in their own home, each bottle of water carries a message.

The idea of using bottled water as a promotional strategy is still one that is frequently overlooked, and yet the idea is both so simple, and yet so effective. Everyone who drinks from a bottle of water looks at the label. By branding your own bottled water you are able to deliver targeted marketing, promotional messages and information to thousands of people, whilst providing a valuable and useful product at the same time.

The primary objective of Distribution channel is to change the business grows and it is a method of getting a product to its consumer. Distribution channels are part of a company's marketing mix.

CHANNEL OF DISTRIBUTION

Channel of Distribution is the arrangement of the path by which a semi finish or finish goods reach to its destination. Path or 'pipeline' through which goods and services flow in one direction (from vendor to the consumer), and the payments generated by them flow in the opposite direction (from consumer to the vendor). A distribution channel can be as short as being direct from the vendor to the consumer or may include several inter-connected (usually independent but mutually dependent) intermediaries such as wholesalers, distributors, agents, retailers. Each intermediary receives the item at one pricing point and moves it to the next higher pricing point until it reaches the final buyer.

As such supply chain is a network of facilities and distribution option that perform the function of procurement of demand of finished goods and finally distribute of these goods to the end user. The distribution exists for both in the service and manufacturing sector, although complexity may vary greatly from industries to industries.

1.2 REVIEW OF LITERATURE

Daoping Wang, Peng Gao[i]. In this article, success or failure is determined by how effectively and efficiently their products are sold through their marketing channel members, so the management of marketing channels plays an important role in market competition. Most existing work studies the problem of marketing channel management in a qualitative way. Recently, with the increase of amount of sales data, how to enhance the marketing channel quantitatively is significant. As the marketing channel can be viewed as a tree, in this paper, a new marketing channel management strategy based on frequent subtree mining is proposed. The proposed method is illustrated under the real-world sales data in ERDOS group. Firstly, the tree transaction is formed monthly. For each monthly transaction, only those channel members that pass the basic sales plan will be included. Secondly, we use the TreeMiner algorithm to discover embedded frequent subtrees. Finally, different management strategies are used for different kinds of discovered patterns. We show that our method can correspond to the seven decision areas in traditional marketing channel management.

Ganesh Iyer and J. Miguel Villas-Boas[ii]. In this article, A critical factor in channel relationships between manufacturers and retailers is the relative bargaining power of both parties. In this article, the authors develop a framework to examine bargaining between channel members and demonstrate that the bargaining process actually affects the degree of coordination and that two-part tariffs will not be part of the market contract even in a simple one manufacturer–one retailer channel. To establish the institutional and theoretical bases for these results, the authors relax the conventional assumption that the product being exchanged is completely specifiable in a contract. They show that the institution of bargaining has force, and it affects channel coordination when the complexity of nonspecifiability of the product exchange is present. The authors find that greater retailer power promotes channel coordination. Thus, there are conditions in which the presence of a powerful retailer might actually be beneficial to all channel

members. The authors recover the standard double-marginalization take-it-or-leave-it offer outcome as a particular case of the bargaining process. They also examine the implications of relative bargaining powers for whether the product is delivered "early" (i.e., before demand is realized) or "late" (i.e., delivered to the retailer only if there is demand). The authors present the implications for returns policies as well as of renegotiation costs and retail competition.

Sunil Sahadev(2005)[iii]. In this article, Expert power is recognized as a non-coercive source of power, which can be effectively employed in the context of channel management. The paper attempts of look at the impact of expert power on certain channel relationship variables. The behavioral variables considered in the study are the use of behavior-based coordination strategy, use of problem-solving approach for conflict resolution, collaborative communication, cooperation and trust. An empirical study conducted among the computer hardware dealers in India supports the hypothesized linkages between expert power and other relationship variables.

Jayachandran(2004)[iv]. In this article, the effects of variations in the external environment on channel member behavior have been widely acknowledged in marketing channel literature. This paper focuses on the behavioral issues associated with the management of distribution channels dealing in high-technology products in India. The marketing task environment associated with high-technology products being highly dynamic and unpredictable, the attendant channel management functions become extremely challenging. The paper presents a conceptual model for managing the distribution channels operating in highly dynamic and unpredictable environments. The conceptual model is validated through a sample survey conducted among computer hardware dealers.

Rajiv Mehta, Alan J. Dubinsky & Rolph E. Anderson (2002)[v]. In this article, the channel manager remained an organizational position found mainly in textbooks and the literature and seldom on company organization charts. Recently, however, persuasive evidence has revealed that marketing channel management comes chiefly under the purview of the sales manager. Accepting this new reality, sales management training will need to be dramatically expanded to include these new channel management responsibilities. But, are all levels of sales managers involved or equally involved in channel management? If not, channel manager training must be tailored for specific levels of sales management in order to achieve desired channel effectiveness and efficiency. To date, no published research has explored whether channel management involvement varies at different levels in the sales manager hierarchy. In this age of channel dynamism, successful companies must determine the specific involvement of each sales management level in channel management so that appropriate training and support can be provided to optimize performance in this critical area of market competition. To address the foregoing issues, data were drawn from a random national sample of sales managers. Results indicate that sales managers at all hierarchical levels participate in administering various aspects of marketing channel management. The degree of involvement, however, varies significantly by sales manager level. Sales management implications are discussed, and areas for

future research are suggested.

Mrinalini Shah & Shweta Dixit (2009)[vi]. In this article, the Insurance industry is in its nascent stage as far as rural insurance is concerned. It is common perception and conviction among the insurance companies that it is expensive to do business in the rural areas despite the fact that 70% of the population resides in rural India . The penetration of rural insurance in India requires a fresh approach to sell rural insurance products because of the limitations in this business. Since the activity revolves around agriculture, products such as rain insurance, crop insurance, loss of yield, price fluctuations in the market and personal accident cover need to be designated for targeting the rural customers. This

paper is conceptual in nature and focuses on different distribution channels which can effectively be captured in the rural areas.

Rasa Gudonavi & Sonata Alijo (2002)[vii]. In this article, distribution as one of four elements of marketing complex is inseparable part of marketing decisions, which Involves all the decisions about distribution of products to the end user. Every enterprise that acts at the conditions of market economy pays a big attention to organization and optimisation of the process of product distribution to the end user. The production performance, success of sales programme and position of the enterprise in the target market depends on product realization. Often the competitive advantage of the enterprise, which is obtained at the level of product distribution, determines the future success in the market.

Ganesh Iyer, Chakravarthi Narasimhan & Rakesh Niraj (2007)[viii]. In this article, the trade-offs between demand information and inventory in a distribution channel. While better demand information has a positive direct effect for the manufacturer in improving the efficiency of holding inventory in a channel, it can also have the strategic effect of increasing retail prices and limiting the extraction of retail profits. Having inventory in the channel can help the manufacturer to manage retail pricing behavior while better extracting retail surplus. Thus even if the information system is perfectly reliable, the manufacturer might not always want to institute an information enabled channel over a channel with inventory.

John R. Darling and Mika Gabrielsson (2004)[ix]. In this article, export distribution channels are prone to conflicts particularly when exclusive channel arrangements are used. The traditional view has been to regard conflicts as dysfunctional, which should be avoided by any means. Recently, conflicts have been recognized to have as well a functional role when managed well. In this article we present a normative conflict management model and describe the key steps to be followed. The use of such a

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model is described in an export distribution channel conflict situation case involving Swedish and U.S. firms. This result in guidelines on how such a situation could be managed in a creative way, and what management skills and techniques should be applied.

M.Zaboj (2002)[x]. In this article, deals with the problem of choosing the distribution channel and offers the use of selected methods which should contribute to the final distribution process decision for the firm pursuing production and sale of meat and smoked goods. It is direct qualitative estimate approach, weighted factor summing approach and distribution cost approach.

1.3 STATEMENT OF THE PROBLEM

Effective Distribution Channel makes the business grows and earns profit. For earning profit and brand their product the company can do promotional activities for reaching their name among the people. Any production or manufacturing company they are having their own distributors and retailers to promote their product and take the product into customer door steps. The main factors identified in Distribution channel of SUHAM packaged drinking water unit is that Marketing Techniques handled by SUHAM, Sales affecting Factors, popularity, brand name, services etc..,

But the company have inefficient distribution channel to promote their product. Distributors and retailers faced many problems in selling their brand among various peoples. The company doesn't take any measures for creating the brand image, offers, services, arranging meetings to the distributors and retailers, collecting feedback from the customers, etc...,

1.4 COMPANY PROFILE

SHG is group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a Common Fund known as the Group corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management. Generally a self-help group may consist of 10 to 20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be from 5-20. Generally all members of the group should belong to families below the poverty line. However, if necessary, a maximum of 20% and in exceptional cases ,where essentially required, up to a maximum of 30% of the members in a group may be taken from families marginally above the poverty line living contiguously with BPL families and if they are acceptable to the BPL members of the group. The group shall not consist of more than one member from the same family. A person should not be a member of more than one group. The BPL families must actively participate in the management and decision making, which should not ordinarily be entirely in the hands of APL families. The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly), functioning in a democratic manner, allowing free exchange of views, participation by the members in the decision making process. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. The savings so collected will be the group corpus fund. The group corpus fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates. The members in the group meetings should take all the loaning decisions through a participatory decision making process. The group should be able to prioritize the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loanee. The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members. The group should maintain simple basic records such as Minutes book, Attendance register, Loan ledger, General ledger, Cash book, Bank passbook and individual passbooks. 50% of the groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be

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disability specific wherever possible, however, in case sufficient number of people for formation of disability-specific groups are not available, a group may comprise of persons with diverse disabilities or a group may comprise of both disabled and non-disabled persons below the poverty line.

History - Odanthurai SHG

There are so many SHG's formed in Coimbatore districts. They start their business as usual like tailoring, catering, embroidery, handicrafts, leather works, weaving, fishnet, motor winding etc.., but **Odanthurai Self-Help Groups** little bit different from others. They had an idea to start a packaged drinking water unit in their locality. This is the first SHG start a packaged drinking water unit in Tamilnadu. Initially the packaged drinking water unit starts with 4 groups. Each group contains 12 members. Mr. Shanmugam, Chairman was the main key factor for this initiation. This group has not invested any money from their pocket; entirely it was with the bank support.

Actually before planning to start this project lot of issues they face due to their illiteracy. But they tackle all the issues against the project and they thrived the brand SUHAM into the market.

Four SHG'S

Four women SHG involved this project namely,

1. Thamarai Womens SHG
2. Sakthi Vinayagar Women SHG
3. Bhavani Nadhi Women SHG
4. Kaaliyai Devi Women SHG

Supporting Activities

PLF -> Panchayat Level Federation

They do training and recruitment process for Women SHG activities.

VPRC -> Village Poverty Reduction Committee

They sanction loans and provide subsidy without interest.

DRDA -> District Rural Development Association

1.5 OBJECTIVES OF THE STUDY

Primary Objective

- ➢ To understand the challenges faced by SUHAM packaged drinking water distributors/dealers

Secondary Objective

- ➢ To develop the complete understanding of marketing and distribution network
- ➢ To understand the strategy and find the ways to increase the number of Suham packaged drinking water distributors/dealers

1.6 SCOPE OF THE STUDY

- ➢ To position the brand in the mind of dealer/ Distributors
- ➢ Gathering and disseminating relevant information from dealer/ Distributors
- ➢ To solve the various problem occurred by the dealer/ Distributors
- ➢ To understand the demand of dealer/ Distributors and fulfill them for best sale of SUHAM packaged drinking water

1.7 LIMITATIONS OF THE STUDY

- ❖ Some distributors hesitated to give complete information
- ❖ Some distributors have not given proper information
- ❖ Some distributors not interested to give any kind of information

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CHAPTER – 2

RESEARCH METHODOLOGY

CHAPTER 2

RESEARCH METHODOLOGY

Research methodology is used to systematically solve the research problem. It is a way that defines the process of overall study. Research is logical and systematic gathering and analysis of information, pertaining an issue or problem for the purpose of arriving at a certain conclusion. Research in commonly refers to the search for knowledge. The Research method refers to the steps taken by the Researcher to solve the Research problems.

2.1 Research design:

A Research design is the overall operational gather or framework of the project that stipulate what source and by what procedure the survey will be conducted. It is the specification of procedure for acquiring the needs and procedure for the needed information. For the given study Descriptive Research Design was selected.

Descriptive Research:

Research design followed in this project is Descriptive Research Design. It is the study which is concerned with describing the characteristic of a particular individual or group. This research is concerned with specific predictions with narration of facts and characteristics concerns individual, group or situations of are all example of Descriptive study. Interview method is the best-suited approach for gathering Descriptive information. An organization that wants to know about distributor's knowledge, attitude and preference can find out by asking them directly through the questionnaire.

Type of study:

The study is descriptive in nature. A population of 20 distributors from management position has been interviewed to know about their perceptions. Response are

collected, analyzed and descriptive data has been presented. A review of the literature on channel of distribution has been conducted. The study includes recommendations for better practices aimed at identification of marketing techniques and fulfills the distributors/dealers requirement.

Interview method:

The questionnaire entitled A STUDY ON CHALLENGES FACED BY SUHAM PACKAGED DRINKING WATER UNIT DISTRIBUTORS. It the main instrument used to collect information about the distributor's perception about the organization.

SAMPLING DETAILS

Sampling procedure:

The sampling method using in the study is Area Random Sampling Method. It referred to each and every element of the population has equal and know probability of getting into the sample.

Sampling design

The population of 20 is selected.

2.2 DATA COLLECTION

There are two methods of collection of data in conducting the studies

- Primary data collection method
- Secondary data collection method

Primary data:

The primary data was collected through specially designed questionnaire and interview schedule.

Secondary data:

The secondary data consist of the files and records of the factory, books and internet sources.

2.3 STATISTICAL TOOL

- Percentage analysis
- Chi-Square Test

CHAPTER – 3

DATA ANALYSIS & INTERPRETATION

CHAPTER 3
DATA ANALYSIS AND INTREPRETATION

PERCERTAGE ANALYSIS

1.Mode Of Operation

Table 1.1 – Operating Mode of Distributors

Operation	Frequency	Percent
Retail	15	75.0
Both	5	25.0
Total	20	100.0

Inference

Out of 20 Distributors 25% doing both wholesale and retailing, 75% are doing only retailing. This shows that some of them doing part time and also alternative business.

Chart 1.1 – Operating Mode of Distributors
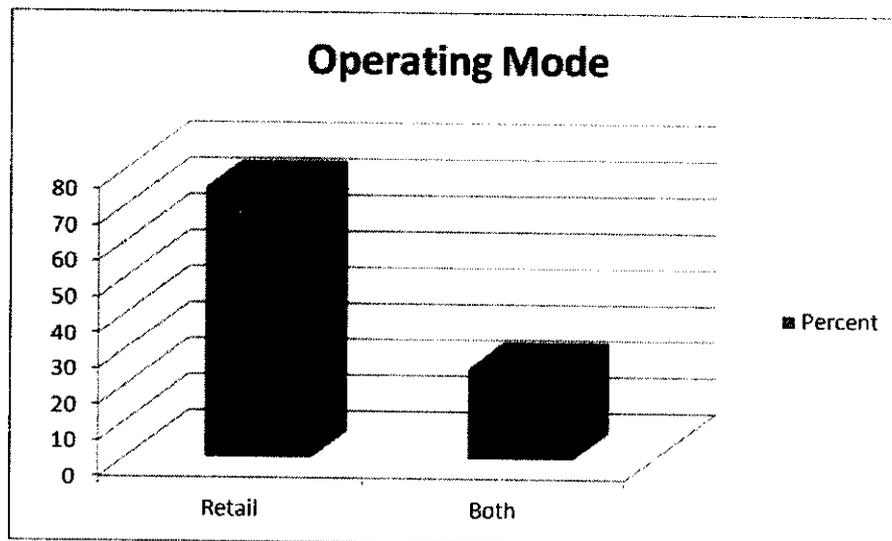
2.Monthly Sales

Table 2.1 – Monthly Sales of Distributors

Sales	Frequency	Percent
15,000-25,000	6	30.0
25,000-35,000	4	20.0
35,000-45,000	6	30.0
45,000-55,000	2	10.0
Above 55,000	2	10.0
Total	20	100.0

Inference

Out of 20 Distributors 30% are earning `15,000-`25,000, 20% are earning `25,000-`35,000, 30% are earning `35,000-`45,000, 10% are earning `45,000-`55,000 and 10% are earning above `55,000 in a monthly basis. It shows that they sell only small number of units in their area.

Chart 2.1 – Monthly Sales of Distributors

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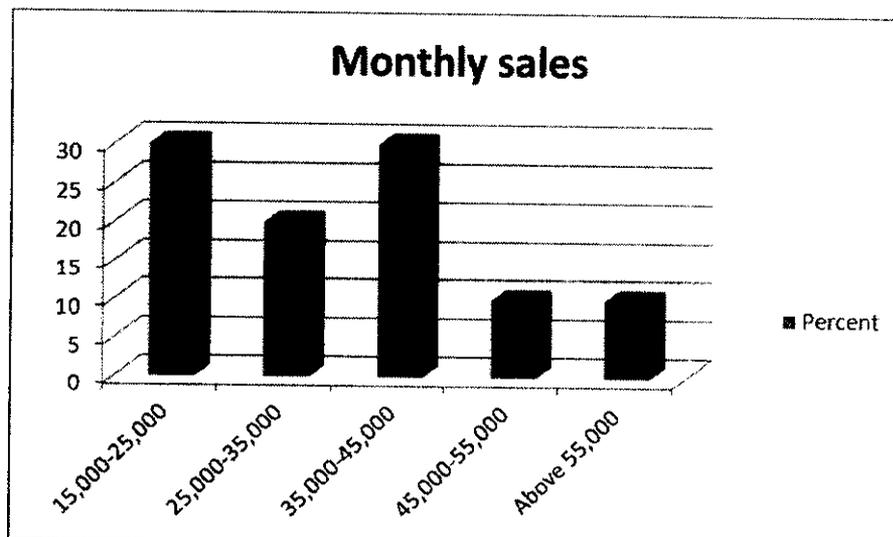
3.Profit

Table 3.1 – Profit Level of Distributors

Profit	Frequency	Percent
Satisfied	9	45.0
Neutral	11	55.0
Total	20	100.0

Inference

Out of 20 Distributors 45% satisfied with their profit, 55% are moderately convinced with their income level. It shows that they fulfill with the selling units per month.

Chart 3.1 – Profit Level of Distributors

17
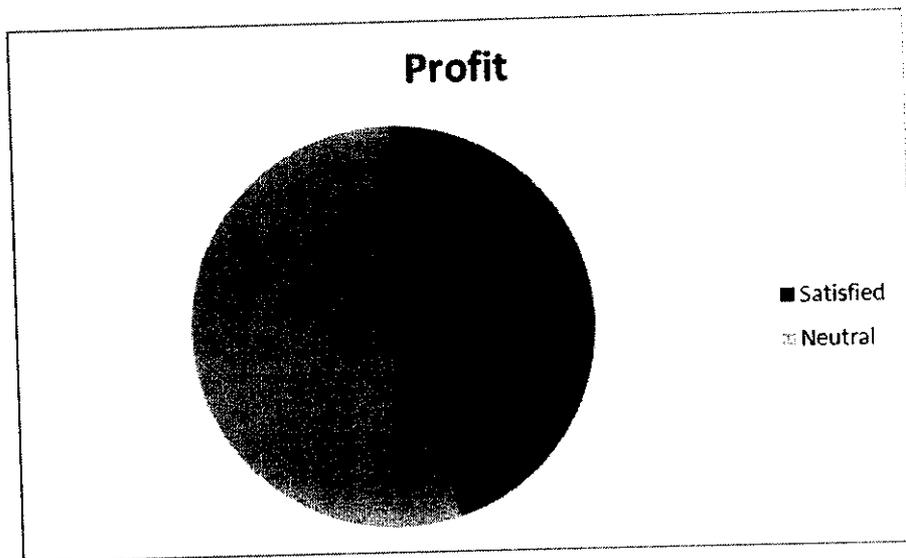
4.Preference

Table 4.1 – Preference of taking Distribution Network

Preference	Frequency	Percent
Quality	10	50.0
Price	10	50.0
Total	20	100.0

Inference

Out of 20 Distributors 50% are preferred to take the distribution network because of quality, 50% are preferred to take the distribution network because of price. It shows that customer gives priority to both quality and price when it comes to purchasing decision of drinking water.

Chart 4.1– Preference of taking Distribution Network

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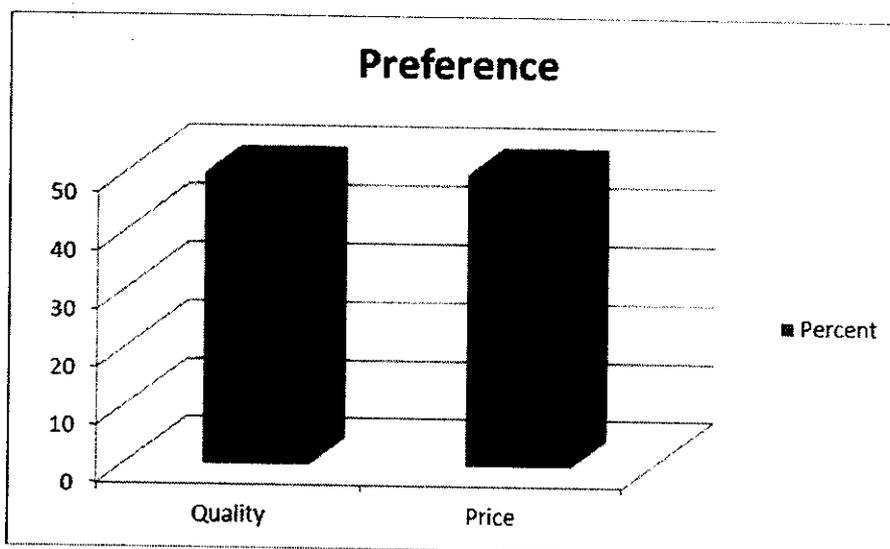
5.Offers

Table 5.1 – Offers offered by the company

Offers	Frequency	Percent
No Offers	20	100.0

Inference

From the above data it is observed that the company doesn't provide any offers to the distributors. It is inferred that the company cannot give offers to the distributors/dealers

Chart 5.1 – Offers offered by the company
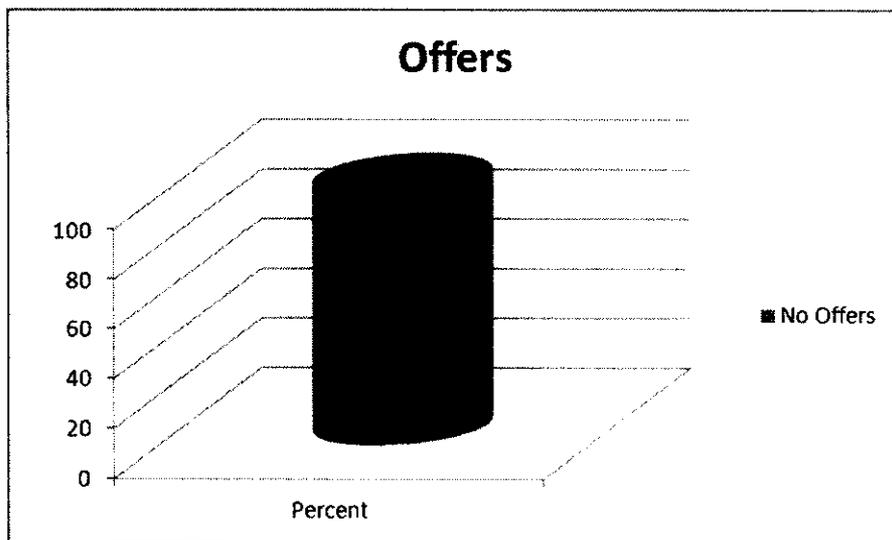
6.Mode of Service

Table 6.1 – Mode of Service

Mode of Service	Frequency	Percent
Direct Purchase	7	35.0
Door Delivery	11	55.0
Both	2	10.0
Total	20	100.0

Inference

Out of 20 Distributors 35% are directly taken from the company of own risk, 55% are offering the company to deliver at their own places (Door Delivery), 10% are using both the services. It shows that company satisfies the requirements made by the distributors/dealers.

Chart 6.1– Mode of Service
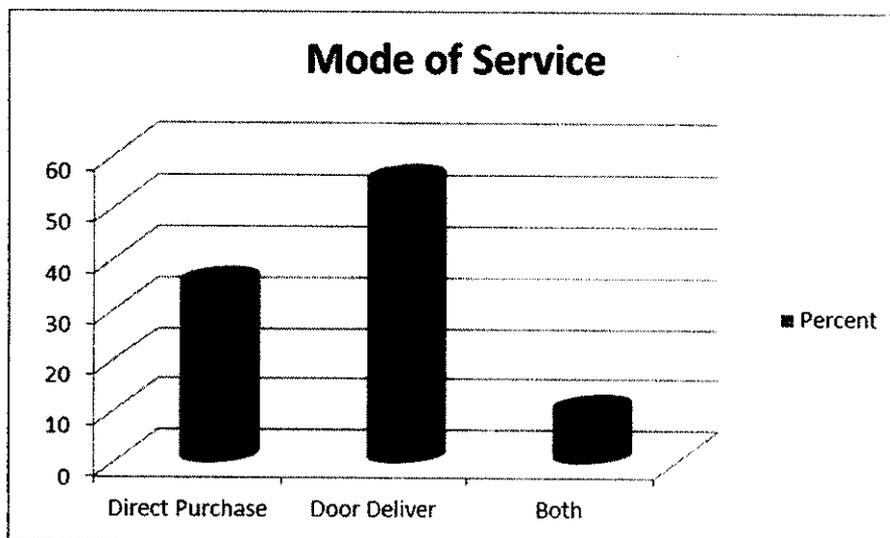
7.Problems Faced by the Distributor

Table 7.1–Problems faced by the Distributor due to the product

Reach	Frequency	Percent
Lack of Brand Image	7	35.0
Lack of Advertising	13	65.0
Total	20	100.0

Inference

Out of 20 Distributors 65% distributors are affected due to lack of advertising , 35% are affected due to lack of brand image. It shows that the company runs with the SHG members so they can't waste money.

Chart 7.1 –Problems faced by the Distributor due to the product

Reach

■ Lack of Brand Image
■ Lack of Advertising
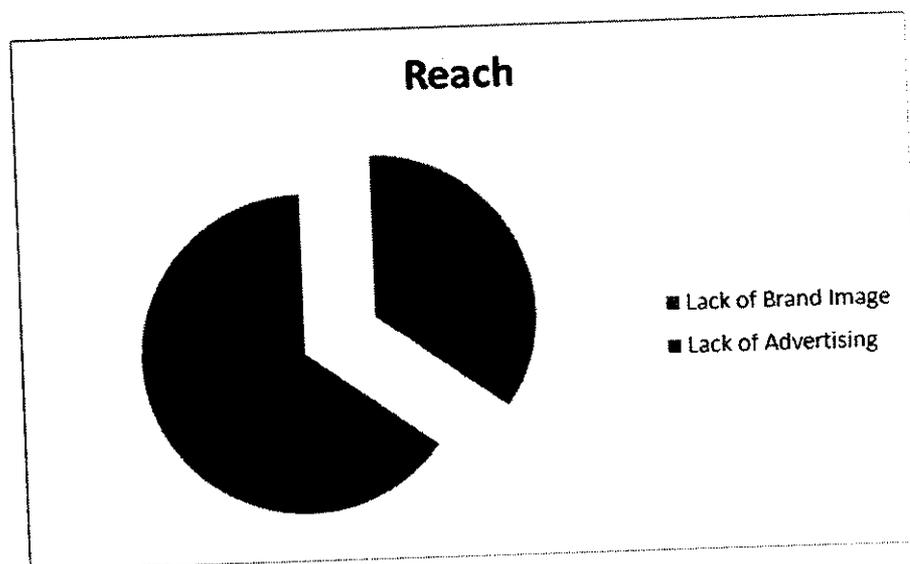
8.Meetings conducted by the Company

Table 8.1 – Meetings conducted by the Company

Meetings	Frequency	Percent
Dissatified	20	100.0

Inference

From the above data it is confirmed that the distributors are not satisfied with the meetings conducted by the company. The company didn't conduct any meetings for the distributors and dealers

Chart 8.1– Meetings conducted by the Company
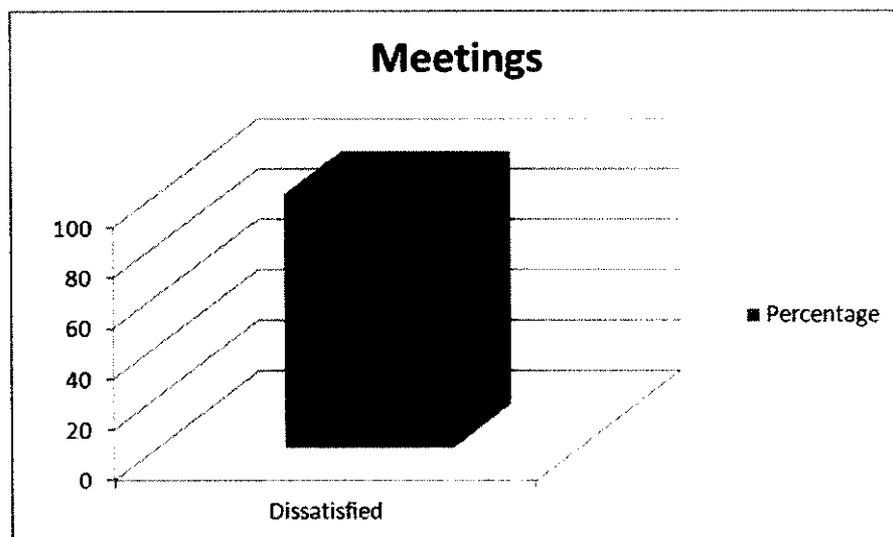
9.Complaints

Table 9.1 – Consideration of complaints

Complaints	Frequency	Percent
Considered	14	70.0
Moderate	6	30.0
Total	20	100.0

Inference

Out of 20 Distributors 70% of the distributors saying that company considered our complaints, 30% of the distributors saying that company moderately taken our complaints. 70% of the complaints given by the distributors are getting responded and immediately rectified.

Chart 9.1 – Consideration of complaints
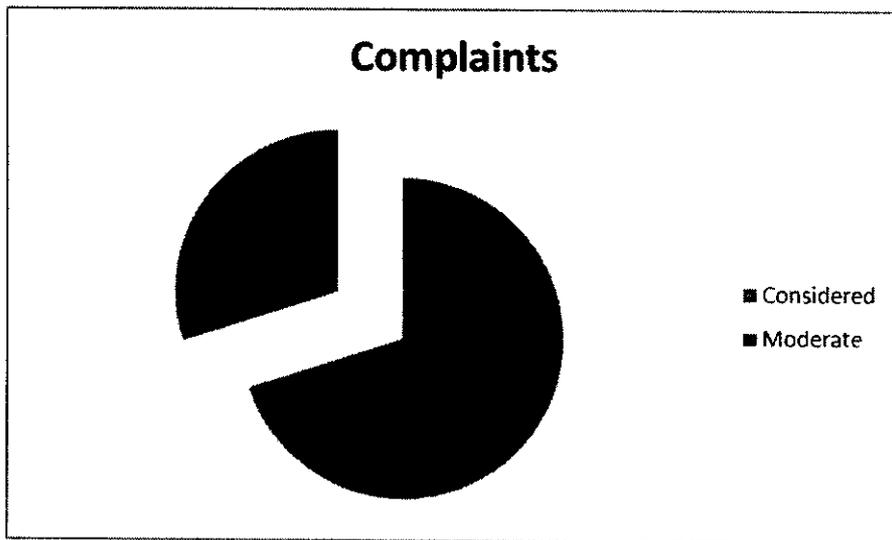
10.Pricing

Table 10.1 –Pricing of the product

Pricing	Frequency	Percent
Good	4	20.0
Poor	16	80.0
Total	20	100.0

Inference

From the above data 80% of the distributors say that pricing are poor. It shows that the company doesn't give any offers and reduce their unit prices

Chart 10.1 – Pricing of the product
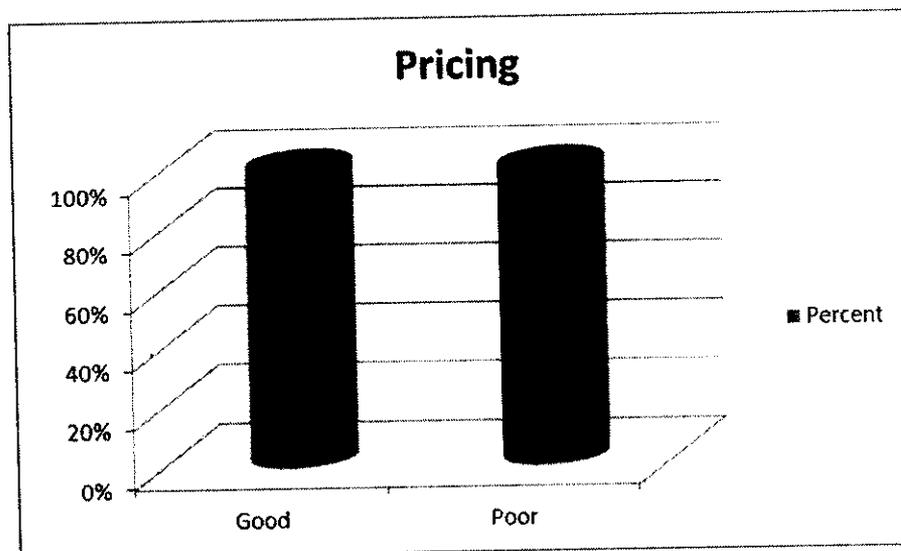
11.Marketing Techniques

Table 11.1 –Marketing Techniques followed by the company

Marketing Technique	Frequency	Percent
Moderate	7	35.0
Poor	13	65.0
Total	20	100.0

Inference

From the above data 20% of the distributors say that marketing techniques are good, 80% of the distributors say that marketing techniques are poor. It shows that they can't waste money and the money which they can get profit again reinvested in business or buy the equipments for the company.

Chart 11.1 – Marketing Techniques followed by the company
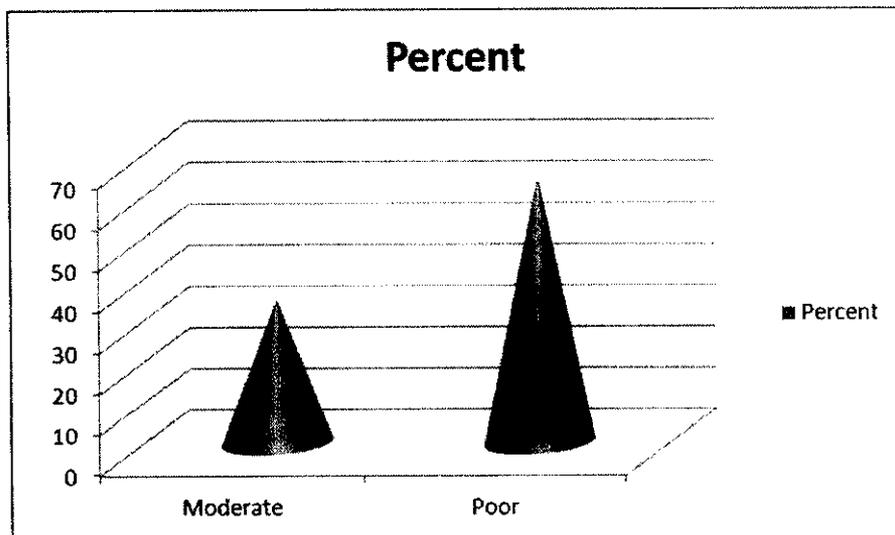
CHI SQUARE TEST

12. RELATIONSHIP SHOWING MODE OF OPERATION AND PREFERENCE OF THE DISTRIBUTORS

Table 12.1 – Mode of Operation and Preference of the Distributors

		Preference		Total
		Quality	Price	
Operation	Retail	10	5	15
	Both	0	5	5
Total		10	10	20

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.667[a]	1	.010		
Continuity Correction[b]	4.267	1	.039		
Likelihood Ratio	8.630	1	.003		
Fisher's Exact Test				.033	.016
Linear-by-Linear Association	6.333	1	.012		
N of Valid Cases[b]	20				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 2.50.
b. Computed only for a 2x2 table

Inference

Since the calculated value (6.67) which is greater than the table value (3.841) at 5% level of significance at the one degree of freedom so there is a significant relationship between the mode of operation and preference of the distributors.

13. RELATIONSHIP SHOWING MARKETING TECHNIQUES FOLLOWED BY THE COMPANY AND REACH OF THE PRODUCT

Table 13.1 – Marketing Techniques followed by the company and Reach of the Product

		Reach		Total
		Lack of Brand Image	Lack of Advertising	
Marketing Techniques	Moderate	7	0	7
	Poor	0	13	13
Total		7	13	20

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	20.000[a]	1	.000		
Continuity Correction[b]	15.846	1	.000		
Likelihood Ratio	25.898	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	19.000	1	.000		
N of Valid Cases[b]	20				

a. 3 cells (75.0%) have expected count less than 5. The minimum expected count is 2.45.

b. Computed only for a 2x2 table

Inference

Since the calculated value (20) which is greater than the table value (3.841) at 5% level of significance at the one degree of freedom so there is a significant relationship between the marketing techniques followed by the company and reach of the product.

14. RELATIONSHIP SHOWING MODE OF SERVICE AND SERVICE OFFERED BY THE COMPANY

Table 14.1 – Mode of Service and Service Offered by the Company

		ServiceOffered			Total
		Satisfied	Neutral	Highly Dissatisfied	
ModeOfService	Direct Purchase	0	7	0	7
	Door Delivery	11	0	0	11
	Both	1	0	1	2
Total		12	7	1	20

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.167[a]	4	.000
Likelihood Ratio	30.176	4	.000
Linear-by-Linear Association	.501	1	.479
N of Valid Cases	20		

a. 8 cells (88.9%) have expected count less than 5. The minimum expected count is .10.

Inference

Since the calculated value (29) which is greater than the table value (9.48) at 5% level of significance at the four degree of freedom so there is a significant relationship between the mode of service and service offered by the company.

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CHAPTER – 4

CONCLUSION

4.1 FINDINGS

➢ 75% of the distributors/dealers are doing only retailing. This shows that some of them doing part time and also alternative business.

➢ It is inferred that 30% of the distributor/dealers monthly sales is up to 15,000 to 25,000 and it shows that they sell only small number of units in their area.

➢ With 55% as moderately satisfaction level of profit, it shows that they fulfill with the selling units per month.

➢ Customer gives priority to both quality and price when it comes to purchasing decision of drinking water with 50% each. It shows that the quality will play a major role in the product.

➢ It is inferred that the company cannot give offers to the distributors/dealers

➢ 55% of company's delivery will be door delivery. It shows that company satisfies the requirements made by the distributors/dealers.

➢ Problems faced by the distributor/dealer when sell the product because of lack of advertisement programs. 65% of the distributors faced problem due to lack of advertising. It shows that the company runs with the SHG members so they can't waste money.

➢ The company didn't conduct any meetings for the distributors and dealers

➢ 70% of the complaints given by the distributors are getting responded and immediately rectified.

➢ Marketing technique followed by company are very poor (65%). It shows that they can't waste money and the money which they can get profit again reinvested in business or buy the equipments for the company.

➢ There is a significant relationship between the mode of operation and preference of the distributors. It shows that the retailers do their business with the quality of the product so they choose this product and sell the product with minimum margin.

➢ There is a significant relationship between the marketing techniques followed by the company and reach of the product. It shows that the company didn't take any strategies to market their product and lack in advertising and brand image.

➢ There is a significant relationship between the mode of service and service offered by the company. It shows that the distributors/dealers are satisfied with the delivery of the product with own risk taken by the company and it will reduce the transport cost for the dealers

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4.2 STRATEGIES AND RECOMMENDATIONS

- Concentrate on marketing techniques like advertising, creating brand image
- By giving payment options like monthly installments to the Suham packaged drinking water dealers/distributors, etc..,
- Providing promotional offers like discount coupons, seasonal offers etc.., to attract the new and existing customers
- Sponsoring various events happening in the area will enhance the brand image of the company
- Tie with the local hotels and colleges; it will certainly increase the sales
- Attract the customers with designer labels for their bottles
- Cost cutting strategy can be followed to the Suham packaged drinking water distributors/dealers

4.3 CONCLUSION

The project clearly shows that to succeed in the business not only depend on the existing method and channel, but also develop a way to differentiate they must try to develop a new value curve. Distributors/dealers are more vulnerable against the competitor. In this era of high rivalry it is quite difficult to sustain in the business without having good product with good taste and good quality. Whole responsibility lies in the hands of dealers and to keep them on their side it is necessary to understand the distributor's reasonable price. When a retailer will be honest towards his customer and try to solve the requirement of customer with an honest feeling to help him he can make a better relationship.

The major drawback in SUHAM'S marketing plan is lack of brand image amongst customers. They should do advertising to make their offerings known in the market, which already has several established brands to sell. Advertisements should be buyer centric because an effective advertisement is key to get success in today's era when the buyers have become more educated than they were.

APPENDIX

APPENDIX

1. Name   :

2. Name of the Agency   :

3. Contact Number   :

4. Mode of operation   : 1. Wholesale
                               2. Retail
                               3. Both

5. Monthly sales (in Rs.)
   a) Less than 5000
   b) Between 5000 to 10,000
   c) 10,000 to 15,000
   d) Above 15,000

6. When you are starting a distributor network how many cans will move per day?

....

7. At present how many cans are moving per day?

....

8. Is this business a more profit oriented business?
   a) Yes
   b) No

9. If not why did you choose this business?

....

10. If you are a retailer, what will be your secondary brand?
    a) Local brand
    b) National brand
    c) International brand

11. By what means do you have dealership with them
    a) Quality
    b) Brand
    c) Price
    d) Offers
    e) Discounts

12. Is there any offers did the manufacturer provide?
   a) Yes
   b) No

13. Types of offers what the manufacturer gives
   a) Bulk purchase
   b) Free coupons
   c) Schemes
   d) No offers

14. What kind of services did the manufacturer provide?
   a) Door delivery
   b) Direct purchase
   c) Poor service

15. What is your satisfaction level of the service offered?
   a) Highly satisfied
   b) Satisfied
   c) Neutral
   d) Dissatisfied
   e) Highly dissatisfied

16. Initially what kind of problems you faced while distributing the brand
   a) Poor quality
   b) Lack of retailers
   c) No demand
   d) Lack of brand image
   e) Lack of advertising

17. Is there any commission (units) provided by the manufacturer?
   a) Yes
   b) No

18. On what basis the manufacturers provide commission (units)?
   a) Yearly
   b) Half-yearly
   c) Quarterly
   d) Monthly
   e) Others

19. What is your satisfaction level of response given by the manufacturer?
   a) Highly satisfied
   b) Satisfied
   c) Neutral
   d) Dissatisfied
   e) Highly dissatisfied

20. Did the manufacturer arrange any meetings?
   a) Yes
   b) No

21. What is your satisfaction level of those meetings?
   a) Highly satisfied
   b) Satisfied
   c) Neutral
   d) Dissatisfied
   e) Highly dissatisfied

22. Did the manufacturer deliver the goods in correct time?
   a) Yes
   b) No

23. Compared to other local brands in your district what's the quality level of Suham?
   a) Excellent
   b) Good
   c) Neutral
   d) Bad
   e) Worst

24. Time limit for credit business
   a) 5-10 days
   b) 10-15 days
   c) 15-20 days
   d) 20-25 days
   e) 30 & above

25. Did the manufacturer take any corrective measures for your complaints?
   a) Not considered
   b) No actions
   c) Moderate
   d) Primary actions
   e) Others

26. Expectations from the manufacturer

....

27. Which company's dealership is quite good?
   a) Local brand
   b) National brand
   c) International brand
   d) Others

28. How frequent does the manufacturer contact you?
   a) Daily
   b) Alternate day
   c) Weekly
   d) Others

29. Which factors affect the sale most?
   a) Advertisement
   b) Scheme
   c) Taste
   d) Price
   e) Others

30. Is there any dissatisfaction regarding the manufacturer. If yes then why?

....

....

31. Any suggestions for improvement regarding distribution, brand, bottling etc..,

....

....

32. What is your opinion about Suham?

....

....

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BIBLIOGRAPHY

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