

A STUDY ON SATISFACTION LEVEL OF DISTRIBUTION CHANNEL OF ARIGNAR ANNA SUGAR MILL, THANJAVUR



Marketing Management

KEYWORDS: Distribution channel, sugar industry, manufacturing unit, sales, marketing.

M.VIJAYAKUMAR

Final year MBA, Periyar Maniammai University, Thanjavur.

Dr.K.V.R.RAJANDRAN

Associate Professor, Department of Management Studies, Periyar Maniammai University, Thanjavur.

ABSTRACT

Distribution channels are behind every product and service that consumers and business buyers purchase everywhere. Usually, combination on institutions specializing in manufacturing, wholesaling, retailing and many other areas join force in Distribution channels. A Distribution channels are a set of interdependent organization involved in the process of making a product or service available for use or consumption. Distribution channels decisions play a role of Strategic importance in the overall presence and success a company enjoys in the market palace. This project report entitled "A Study on Distribution Channel with Special Reference to Arignar Anna sugar mill District". To determine the dealer satisfaction of the product and future demands, needs, wants. The study starts with an introduction of the Distribution Channel, company profile, important of the Study, Review of Literature and objectives are set out for the study. Research methodology, data analysis and interpretation, findings and suggestions of the study follow. The response given by 106 dealers were analyzed and interpreted.

INTRODUCTION:

The chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. A distribution channel can include wholesalers, retailers, distributors and even the internet. Channels are broken into direct and indirect form, with a "direct" channel allowing the consumer to buy the good from the manufacturer and an "indirect" channel allowing the consumer to buy the good from a wholesaler. Direct channels are considered "shorter" than "indirect" ones. Goods and services often pass to consumers through multiple channels. While increasing the number of ways in which a consumer can find a good has the potential to increase sales, it also creates a complex system that can make distribution management difficult. In addition, the longer the distribution channel the less profit a product manufacturer might get from the sale.

The Distribution Channel is the path through which goods and services travel from vendor to the consumer or payments for those products travel from the consumer to the vendor. A distribution channel can be as short as a direct transaction from the vendor to the consumer, or may include several interconnected intermediaries along the way such as wholesalers, distributors, agents and 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. Coffee does not reach the consumer before first going through a channel involving the farmer, exporter, importer, distributor and the retailer.

Distribution is achieved by using one or more distribution channels, including:

- Retailers
- Distributors / sales agent
- Direct (eg. Via e-commerce)
- Wholesalers

A distribution channel has been defined as:

"All the organizations through which a product must pass between its point of production and consumption".

The main function of a distribution channel is to provide a link between production and consumption. Organizations that form any particular distribution channel perform.

Distribution channels often require the assistance of others in order for the marketer to reach its target market. But why exactly does a company need others to help with the distribution of their product? Wouldn't a company that handles its own distribution functions be in a better position to exercise control over products sales and poten-

tially earn higher profits? Also, doesn't the internet make it much easier to distribute products thus lessening the need for others to be involved in selling a company's product?

While on the surface it may seem to make sense for a company to operate its own distribution channel (ie., handling all aspects of distribution) there are many factors preventing companies from doing so. While companies can do without the assistance of certain channel members, for many marketers some level of channel partnership is needed. For example, marketers who are successful without utilizing resellers to sell their products (e.g., Dell computers sells mostly through the internet and not in retail stores) may still need assistance with certain parts of the distribution process.

A channel of distribution is a path traced in the direct or indirect transfer of ownership of a product as it moves from producers to consumers. A channel is pipeline through which a flows on its way to the consumers. The manager put his products into the pipelines marketing channels and it moves towards channels and it moves towards various marketing people and reaches the ultimate consumer which is the other end of channels.

REVIEW OF LITERATURE

This is a study done by Wei Guan 2010, on the topic Developments in Distribution Channels which describes and analyses the trends and developments of actors along distribution channel. In particular, the study focuses on resellers and manufacturer based on the empirical material from one particular case study.

Rahul Kumar 2008, did a study on the distribution channel strategy at Pepsi Co. to know distribution channel Strategy of PepsiCo and to know the importance of Distribution channel strategy in Positioning of the product.

OBJECTIVES OF STUDY

- To identify the performance level of the existing distribution channel.
- To study the satisfaction level of the dealers towards the existing distribution channel.

SCOPE OF THE STUDY

The main scope of this study is to ascertain the effectiveness of channel of distribution and various methods to increase the sales volume of the concern. The methods include regular information to the buyers creating a brand position in the market and taking measures to make the brand remain in its position. One of the important aspects

of this study is also to increase the market segment for the product.

METHODOLOGY USED IN THE STUDY

“Marketing Research is the systematic designing, collection, analysis, and reporting of data and finding relevant to a specific marketing situation facing the company.”

The present study of Distribution channel in all over Thanjavur is based on survey methods. In survey methods, there are two types. One is Census Method and another is Sampling Method. In this sample survey method I have taken only a small part and data collected from the small part are made applicable to the whole Thanjavur City.

Statement of the problem

To find whether there is any problem faced by AA sugars in dealing with their distribution channel.

Research Design: Simple random technique is used for this study

Sampling Techniques:

Sampling is the selection of some part of an aggregate to totality on the basis of which a judgment about the aggregate or totality is made. Simple random sampling was used in this project.

Population: 106 is used for this study

Method of data collection:

The primary data collection method was used in the project. First time collected data are referred to as primary data. In this research the primary data was collected by means of a structured questionnaire. The questionnaire consisted of a number of questions in printed form.

Tools for analysis:

The following tools have been applied in the present study.

- Simple percentage tools & Chi-Square Test have been used to analyze the data.
- The data has been interpreted with the help of various diagrams like bar diagrams and pie charts.

LIMITATIONS OF THE STUDY

- Due to time constraint only 106 samples were collected
- Dealers may have expressed slightly deviated responses to various personal

DATA ANALYSIS & INTERPRETATION

TABLE 1: REASON FOR BUYING SUGAR

Reason for not buying	No. of respondents	Percentage
Credit policy	46	44%
Promotional material not supplied on time	11	10%
Supply of product is not proper	12	11%
Schemes are not conveyed on time	37	35%
Total	106	100%

Interpretation:

It is clear from the above table that 44% of the respondents to not buying sugar in credit policy, 35% of the respondents to not buying sugar in schemes are not conveyed on time, 11% of the respondents to not buying sugar in supply of product is not proper, 10% of respondents to not buying sugar in promotional material not supplied on time.

FIGURE 1: REASON FOR BUYING SUGAR

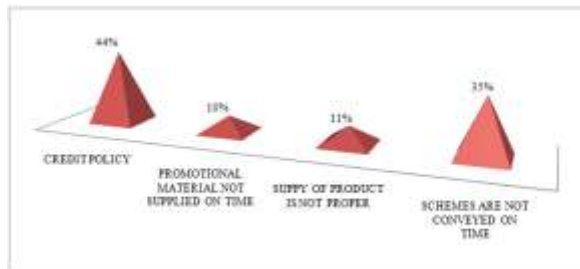


TABLE 2: BRANDPULL OF THE COMPANY

Brand Pull of the company	No. of Respondents	Percentage
Excellent	11	10%
Very good	36	34%
Good	40	38%
No comments	19	18%
Total	106	100%

Interpretation:

It is clear from the above table that 38% of the respondents say brand pull of the company is good, 34% of the respondents say very good, 18% of the respondents say no comments, 8% of respondents to said excellent.

FIGURE 2: BRANDPULL OF THE COMPANY

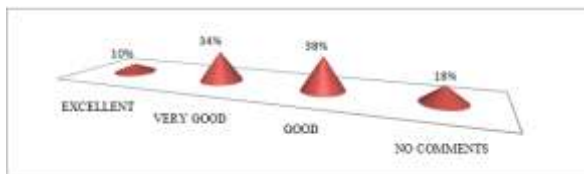


TABLE 3: CREDIT POLICY OF COMPANY

Credit policy of Company	No. of Respondents	Percentage
Excellent	0	0%
Very good	3	3%
Good	39	37%
No comments	64	60%
Total	106	100%

Interpretation:

It is clear from the above table that 60% of the respondents to say that there are no comments credit policy of the company, 37% of the respondents to say that the credit policy of the company is good, 3% of the respondents to say very good and none of them so it is excellent.

FIGURE 3: CREDIT POLICY OF COMPANY

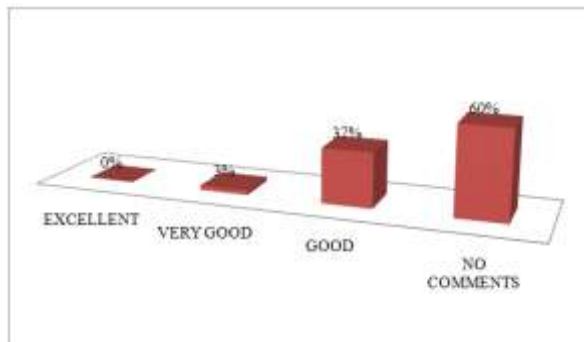


TABLE 4: COMPANY EXECUTIVES CONVEY

Company Executives Convey	No. of Respondents	Percentage
Excellent	17	16%
Very Good	28	26%
Good	37	35%
No Comments	24	23%
Total	106	100%

Interpretation:

It is clear from the above table that 35% of the respondents to say good, 26% of the respondents to say very good, 23% of the respondents to say no comments, 16% of respondents to say excellent.

FIGURE 4: COMPANY EXECUTIVES CONVEY

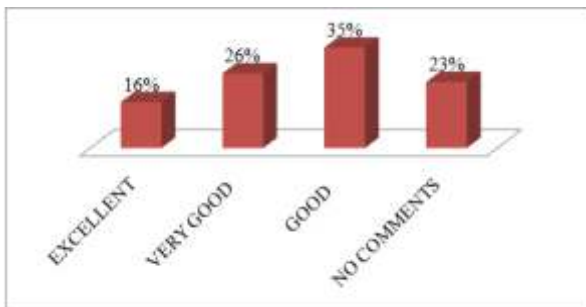


TABLE 5: STAFF BEHAVIOUR

Representative Behaviour	No. of Respondents	Percentage
Highly Satisfied	34	32%
Satisfied	50	47%
Dissatisfied	16	15%
Highly Dissatisfied	6	6%
Total	106	100%

Interpretation:

It is clear from the above table that 47% of the respondents to say satisfied, 32% of the respondents to say highly satisfied, 15% of the respondents to say dissatisfied, 6% of respondents to say highly dissatisfied.

FIGURE 5: STAFF BEHAVIOUR

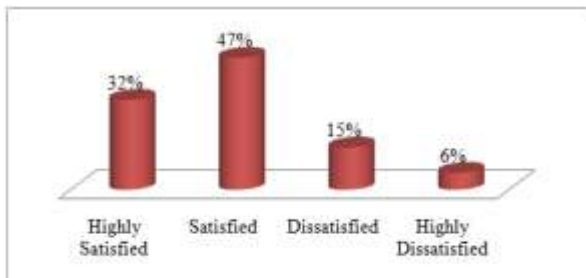


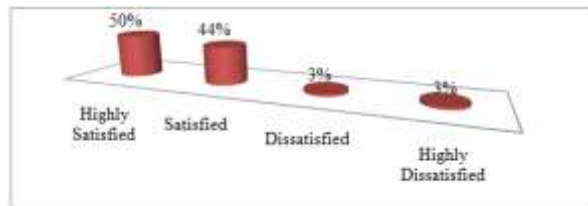
TABLE 6: SATISFIED WITH THE EXISTING DISTRIBUTION CHANNEL

Satisfied for distribution channel	No. of Respondents	Percentage
Highly Satisfied	54	50%
Satisfied	46	44%
Dissatisfied	3	3%
Highly Dissatisfied	3	3%
Total	106	100%

Interpretation:

It is clear from the above table that 50% of the respondents are highly satisfied with the existing distribution channel, 44% of the respondents are satisfied, 3% of the respondents are dissatisfied and 3% of respondents say are highly dissatisfied with the existing distribution channel.

FIGURE 6: SATISFIED WITH THE EXISTING DISTRIBUTION CHANNEL



ASSOCIATION BETWEEN BRAND PULL AND REPRESENTATIVE BEHAVIOR BY THE ORGANIZATION USING CHI-SQUARE TEST

NULL HYPOTHESIS (H₀): There exists no significant association between brand pull and representative behavior of the organization.

ALTERNATIVE HYPOTHESIS (H₁): There exists significant association between brand pull and representative behavior of the organization.

TABLE: 7

Brandpull	Highly Satisfied	Satisfied	Dissatisfied	Highly dissatisfied	Total
Highly satisfied	4	7	2	2	15
Satisfied	2	6	9	11	82
Dissatisfied	5	7	14	5	31
Highly dissatisfied	6	8	12	6	32
Total	17	28	37	24	106

Calculated value = 15.6419

Degree of freedom = 16.919

The table value at 5% level of significant is 16.919

Calculated value is less than table value so accept null hypothesis and reject alternative hypothesis.

Therefore there exists no significant association between brand pull and representative behavior by the organization.

ASSOCIATION BETWEEN CREDIT POLICY AND SCHEMES PROVIDED BY THE ORGANIZATION USING CHI-SQUARE TEST

NULL HYPOTHESIS (H₀): There exists no significant association between credit policy and schemes provided by the organization.

ALTERNATIVE HYPOTHESIS (H₁): There exists significant association between credit policy and schemes provided by the organization.

TABLE: 8

Credit policy	Highly satisfied	Satisfied	Dissatisfied	Highly Dissatisfied	Total
Highly satisfied	0	0	0	0	0
Satisfied	0	3	0	0	3
Dissatisfied	9	2	8	1	39
Highly dissatisfied	23	26	11	4	64
Total	32	50	19	5	106

Calculated value = 11.4844

Degree of freedom = 16.919

The table value at 5% level of significant 16.919

Calculated value is less than table value so accept null hypothesis and reject alternative hypothesis.

Therefore there exists no significant association between credit policy and schemes provided by the organization.

CONCLUSION:

To find out the Effectiveness of the Distribution Channel of Arignar Anna sugar mill. This study shall help the organization to develop new method of distribution and also help to find further fine-tuning to overcome from the in the distribution channels. To satisfy the Distributors, Wholesalers, Retailers of Arignar Anna sugar mill available in Thanjavur has to keep proper relation with them.

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