

## A REPORT ON SALES & DISTRIBUTION

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### **Abstract**

*A sale is the pinnacle activity involved in selling products or services in return for money or other compensation. It is an act of completion of a commercial activity.*

*A sale is completed by the seller or the provider of the goods or services to an acquisition or appropriation or request followed by the passing of title (property or ownership) in the item and the application and due settlement of a price, the obligation for which arises due to the seller's requirement to pass ownership, being a price he is happy to part with ownership of or any claim upon the item. The purchaser, though a party to the sale does not execute the sale, only the seller does that. To be precise the sale completes prior to the payment and gives rise to the obligation of payment. If the seller completes the first two above stages (consent and passing ownership) of the sale prior to settlement of the price, the sale is still valid and gives rise to an obligation to pay.*

*A service is the intangible equivalent of a good. Service provision is often an economic activity where the buyer does not generally, except by exclusive contract, obtain exclusive ownership of the thing purchased. The benefits of such a service, if priced, are held to be self-evident in the buyer's willingness to pay for it. Public services are those society pays for as a whole through taxes and other means.*

*By composing and orchestrating the appropriate level of resources, skill, ingenuity, and experience for effecting specific benefits for service consumers, service providers participate in an economy without the restrictions of carrying stock (inventory) or the need to concern themselves with bulky raw materials. On the other hand, their investment in expertise does require consistent service marketing and upgrading in the face of competition which has equally few physical restrictions. Many so-called services, however, require large physical structures and equipment, and consume large amounts of resources, such as transportation services and the military.*

*Keywords: sale, service, raw materials, transportation.*

### **1. INTRODUCTION**

The distribution channel

Chain of intermediaries, each passing the product down the chain to the next organization, before it finally reaches the consumer or end-user... This process is known as the 'distribution chain' or the 'channel.' Each of the elements in these chains will have their own specific needs, which the producer must take into account, along with those of the all-important end-user.

Channels

A number of alternate 'channels' of distribution may be available:

- Distributor, who sells to retailers
- Retailer (also called dealer or reseller), who sells to end customers
- Advertisement typically used for consumption goods

Distribution channels may not be restricted to physical products alone. They may be just as important for moving a service from producer to consumer in certain sectors, since both direct and indirect channels may be used. Hotels, for example, may sell their services

(typically rooms) directly or through travel agents, tour operators, airlines, tourist boards, centralized reservation systems, etc.

There have also been some innovations in the distribution of services. For example, there has been an increase in franchising and in rental services - the latter offering anything from televisions through tools. There has also been some evidence of service integration, with services linking together, particularly in the travel and tourism sectors. For example, links now exist between airlines, hotels and car rental services. In addition, there has been a significant increase in retail outlets for the service sector. Outlets such as estate agencies and building society offices are crowding out traditional grocers from major shopping areas.

Channel decisions

- Channel strategy

Gravity

Push and Pull strategy

- Product (or service)  $\leftrightarrow$  Cost  $\leftrightarrow$  Consumer location

### **Managerial concerns**

The channel decision is very important. In theory at least, there is a form of trade-off: the cost of using intermediaries to achieve wider distribution is supposedly lower. Indeed, most consumer goods manufacturers could never justify the cost of selling direct to their consumers, except by mail order. Many suppliers seem to assume that once their product has been sold into the channel, into the beginning of the distribution chain, their job is finished. Yet that distribution chain is merely assuming a part of the supplier's responsibility; and, if they have any aspirations to be market-oriented, their job should really be extended to managing all the processes involved in that chain, until the product or service arrives with the end-user. This may involve a number of decisions on the part of the supplier:

- Channel membership
- Channel motivation
- Monitoring and managing channels

### **NEED FOR THE STUDY**

Consumer satisfaction is the most important objective for any manufacturing concern to successfully market its products. Penna has from gradually and would want to take a stock of the satisfaction level of consumers and define areas where possible improvement may be made. The research work has been therefore selected in this area.

The company which produces products doesn't give life to sustain in competition without sales of products. So sales are important function of the manufacturing company to get profits. Through sales only wealth maximization if possible.

Distributions are also one of the important functions in marketing. Through distribution only one company can sell its products. Here the distribution channels contain the dealers. Who are very near to the customers and act as middlemen between the organizations. So there is a need to study sales and distribute on strategies.

Distribution system includes distribution channels. Which are sets of independent organizations involves in the process of making a product (or) a service available for the consumption. Distribution network is necessary for smooth flow of goods.

### **SCOPE OF THE STUDY**

The study aims to measure satisfaction level of the dealers regarding Tata Motors Limited. The area within which the study was conducted regarding the information the primary data is collected in the form of questionnaire collected from the dealers in Rangareddy district. To sum up the project had within the scope of the study in the area of "EFFECTIVENESS of SALES and DISTRIBUTION CHANNEL" of Tata Motors Limited dealers in Rangareddy district for a particular time

## **OBJECTIVES OF THE STUDY**

Primary objective:

To assess the role of dealers in Tata Motors Limited.

Secondary objective:

1. To assess the channel effectiveness in Tata Motors Limited.
2. To find dealers opinion on various issues of the present market situation and furthering (strengthening) channel effectiveness.
3. To offer suggestion in building effective channel strategy to Tata Motors Limited

## **2. METHODOLOGY OF STUDY:**

In view of the objectives of the study, an exploratory design has been adopted. Further the researcher also touched the descriptive researcher design and causal analysis to relate between different variables. Exploratory research is one which largely interprets the available information on the study and it lays emphasis on the analysis and interpretation of the exiting and available information. This research is generally useful when we use the information collected from three sources, viz., study of secondary sources, discussion with individuals and analyzing the some specific case.

### **Sources of Data:**

To perform the Research study by Researcher, the sources of data obtained are:

Primary Data:

This data is obtained by interacting and interviewing the dealers in Rangareddy district.

### **Secondary Data:**

This data is obtained directly from the company in the form of brochures, charts, diagrams, document and other forms.

### **Data Collection Tool:**

#### **Questionnaire:**

This is one of the data collection tools. It is quite popular particularly in case big enquires. It is being adopted by private individuals, research worker, private and public organization and even government. In this method, a questionnaire is issued to the persons concerned with a request to answer the questions and return the questionnaire. A questionnaire consists of number of questions printed or typed in a definite order or a form or set of forms.

The researcher used the structured questionnaire in which the questions were:

Open-ended questions

Close-ended questions

Dichotomous questions

Multiple choice questions

**Sampling Design**

The researcher has done his research study on the dealers of Kesoram Cement to know their present satisfaction and expectation from this brand. The researcher selected the dealers of Kesoram Cement at Rangareddy district for his research study.

**Sampling Plan**

Sample size: Sample size consists of 100 dealers.

Sampling unit: The Sampling unit includes all the dealers of Tata Motors Limited products present in Rangareddy District.

Sampling method: For collecting information from dealers, non-probabilistic simple random sampling method is used.

**Tools of analysis:**

The data collected through survey has been carefully and meaningfully analyzed by using well established statistical tool and techniques. Important statistical technique is percentage method.

**Hypothesis:**

Hypothesis is a part of research that enables the researcher to predict about the future based on the present trend. It is very much essential in any research activity to develop the policies for a better working of the system. Based on the above concept, the hypothesis for the study developed by the researcher at the various stages of analysis.

**Limitations of the study:**

The selected sample members are conspicuous and inconspicuous in nature. So, there is chance to arise some errors in the courts of survey.

The errors may be as follows:

Respondents may not disclose the right information, because the researcher is very stranger to them.

Respondents may give pleasing answers to the researchers even though it is not correct from the prospective.

The perceptual values like status, non-disclosure of the correct information and difficulty in expressing their personal feeling to an unknown researcher can bring wrong opinion poll ton filling the questionnaire.

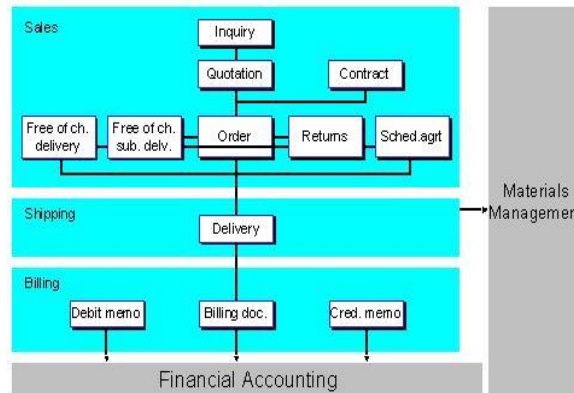
Since, the sample size is small; a perfect mix of the respondents may not be available for the researcher to conduct the opinion survey.

**3. Sales and Distribution Processing Document Flow**

The sales documents you create are individual documents but they can also form part of a chain of inter-related documents. For example, you may record a customer's telephone inquiry in the system. The customer next requests a quotation, which you then create by referring to the inquiry. The customer later places an order on the basis of the quotation and you create a sales order with reference to the quotation. You ship the goods and bill the customer. After delivery of the goods, the customer claims credit for some damaged goods and you create a free-of-charge delivery with reference to the sales order. The entire chain of documents – the inquiry, the quotation, the sales order, the delivery, the invoice, and the subsequent delivery free of charge – creates a document flow or history. The flow of data from one document into another reduces manual activity and makes problem resolution

easier. Inquiry and quotation management in the Sales Information System help you to plan and control your sales.

The following graphic shows how the various types of sales documents are inter-related and how data subsequently flows into shipping and billing documents.



### Type of marketing channel

1. Intensive distribution - Where the majority of resellers stock the 'product' (with convenience products, for example, and particularly the brand leaders in consumer goods markets) price competition may be evident.
2. Selective distribution - This is the normal pattern (in both consumer and industrial markets) where 'suitable' resellers stock the product.
3. Exclusive distribution - Only specially selected resellers or authorized dealers (typically only one per geographical area) are allowed to sell the 'product'.

### Channel motivation

It is difficult enough to motivate direct employees to provide the necessary sales and service support. Motivating the owners and employees of the independent organizations in a distribution chain requires even greater effort. There are many devices for achieving such motivation. Perhaps the most usual is 'incentive': the supplier offers a better margin, to tempt the owners in the channel to push the product rather than its competitors; or compensation is offered to the distributors' sales personnel, so that they are tempted to push the product. Dent defines this incentive as a Channel Value Proposition or business case, with which the supplier sells the channel member on the commercial merits of doing business together. He describes this as selling business models not products.

### Monitoring and managing channels

In much the same way that the organization's own sales and distribution activities need to be monitored and managed, so will those of the distribution chain.

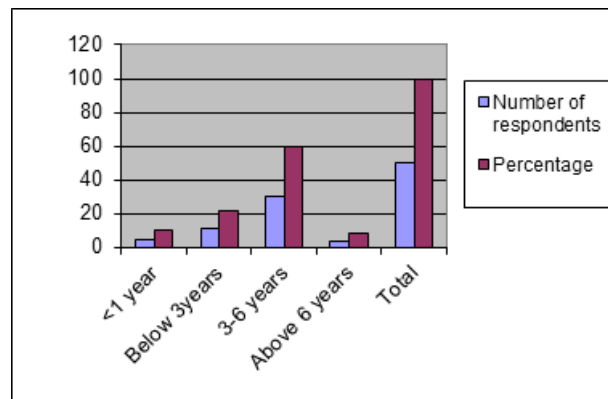
In practice, many organizations use a mix of different channels; in particular, they may complement a direct sales force, calling on the larger accounts, with agents, covering the smaller customers and prospects. these channels show marketing strategies of an organization. Effective management of distribution channel requires making and implementing decision in these areas. 1-Recruiting 2-Training 3-Motivating 4-Servicing 5-Compensating 6-Evaluating and replacing channel members.

## 4. DATA ANALYSIS AND INTERPRETATION

**Table -1**

Dealers relation with Tata Motors Limited

Business experience	Number of respondents	Percentage
<1 year	10	10
Below 3years	22	22
3-6 years	60	60
Above 6 years	8	8
<b>Total</b>	<b>100</b>	<b>100</b>



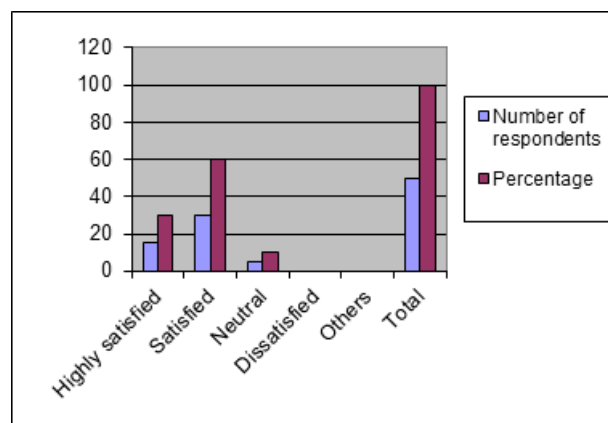
Inference: -

8% of the dealers have more than 6-years experience. 60% of the dealers have 3-6 years experience. Followed by 22% of the dealers having less than 3 years and 10% of the dealers have one year experience.

Table-2

**Dealers feeling about Company Image**

Dealers Opinion	Number of respondents	Percentage
Highly satisfied	30	30
Satisfied	60	60
Neutral	10	10
Dissatisfied	0	0
Others	0	0
<b>Total</b>	<b>100</b>	<b>100</b>





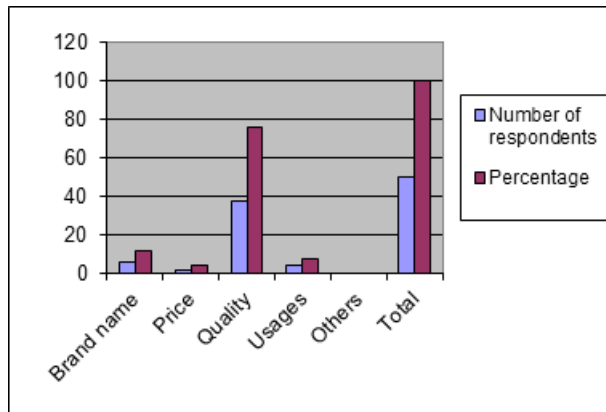
**Inference:-**

30% of the dealers falling highly satisfied about companied image and 60% of the dealers were feeling moderately satisfied, 10% of the dealers were feeling satisfied about companies image.

Table-3

**To know on which aspects the customer gets more satisfaction**

Dealers opinion	Number of respondents	Percentage
Brand name	12	12
Price	4	4
Quality	76	76
Usages	8	8
Others	0	0
<b>Total</b>	<b>100</b>	<b>100</b>



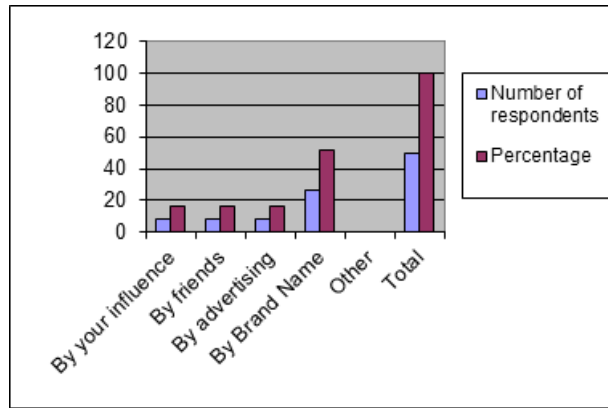
**Inference: -**

Majority of the respondents are giving first preference to quality, second preference to brand name, then followed by product, usage and price.

Table-4

**Customers come to Shore-room**

Dealers opinion	Number of respondents	Percentage
By your influence	16	16
By friends	16	16
By advertising	16	16
By Brand Name	52	52
Other	0	0
<b>Total</b>	<b>100</b>	<b>100</b>



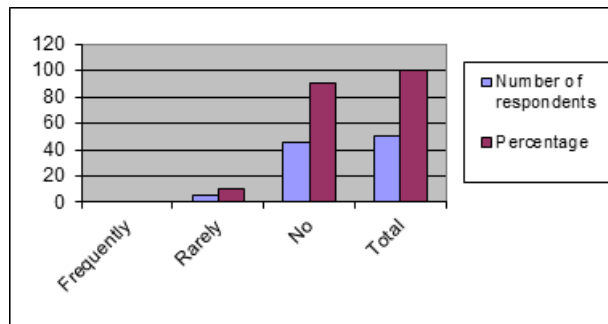
**Inference: -**

From the above table it is inferred that majority of the customers come to retail outlets by the influence of brand name of Tata Motors Limited and followed by advertising, dealers influence.

Table-5

**Stock out problems**

Dealers opinion	Number of respondents	Percentage
Frequently	0	0
Rarely	10	10
No	90	90
<b>Total</b>	<b>100</b>	<b>100</b>



**Inference: -**

**90% of the dealers are getting satisfied with the supply of Tata Motors Limited by expressing that they do not come across stock out problem.**

**FINDINGS**

1. Majority of the dealers having 3 to 6 years experience, and less number of dealers having above 6 years experience.
2. Majority of dealers just satisfied about the company's image, remaining are neutral, Highly satisfied.
3. Majority of the customers satisfying about the quality of the product next preference given brand name followed by usages, price.





4. Most of the dealers expresses customers visit to shop by brand name only. And followed dealers influence, by friends, by advertising.
5. The entire dealers were saying they do not face any difficulties to deal with the customers to selling the product.
6. Majority of the dealers saying they do not come across stock out problems.

#### **SUGGESTIONS**

1. Provide opportunity for new entrants in the business.
2. To create awareness about the company, using of various ways of promotional activities such as advertisement, to maintain the better relation with dealers.
3. If possible increase the quality of the product and reduce the price.
4. Company and dealers should try to maintain customer good relationship as much as the possible.
5. Try to maintain better supply chain in order to improve the services. Supply the products with in time to the dealers.
6. Try to provide discounts to dealers and credit facilities.
7. Customers, who purchase the huge amount of products, provide free home delivery to customers place.

#### **5. CONCLUSIONS**

1. Majority of the dealers satisfying with the supply from the company and very few members satisfied, dissatisfied.
2. All the dealers were saying the entire floor space were providing only for goods storing purpose.
3. Majority of the dealers satisfied with the mode of dispatch by the company. And few members were moderately satisfied, highly satisfied.
4. Majority of the dealers they estimate the demand for various products by the orders and followed by seasonal base and past sales.
5. All the dealers were saying they do not face any difficult in dealing with the company.
6. Majority of the dealers were saying about the fright it incurs 2% to receive goods from company to your stock point.

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