**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FIFTH TRIMESTER (Batch 2020-22)**

**END TERM EXAMINATION, JAN-2022**

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| Course Name | **Distribution and Channel Management** | Course Code | **MKT 501** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:**

Answer all questions.

**Questions.1 (10 Marks)**

Master Lock is perhaps the nation’s best-known name in padlocks. Master Lock padlocks are sold intensively at the retail level through a wide range of stores, including hardware stores, home centers, automotive stores, bicycle shops (for bicycle padlocks), drugstores, supermarkets and many others. This wide retail network is supplied largely through wholesalers. Master Lock relies on wholesalers to provide the bulk of the sales and logistical support to the retail channel members. When retailers need help in ordering, stocking the right assortment, choosing point-of-purchase displays or advertising to consumers, Master Lock tells them to “ask your Master Lock distributor for all the advice and support you need.”

Given that Master Lock expects its wholesale distributors to provide virtually all the support needed by retailers, what kind of support do you think the wholesaler distributors should expect from Master Lock?

**Questions.2 (10 Marks)**

Office Depot has almost 1,000 office superstores and a giant catalog of office supplies that it offers via mail order. Yet Office Depot also enables its customers to shop on the Internet. Its Web site offers virtually all of the products Office Depot carries in its stores and catalog and guarantees next-day delivery to most locations in the United States with no delivery charge on orders over ₹3000. Online order tracking is available, and customized ordering, which takes into account the historical patterns of an individual customer’s product purchases, is also a feature of Office Depot’s Internet-based channel.

What do you see as the advantages of Office Depot’s multichannel strategy? Are there any disadvantages?

**Questions.3 (10 Marks)**

7-Eleven, Inc. operates the world’s largest convenience store retailer franchise. In business for over eight decades, 7-Eleven has thousands of stores all over the world and boasts that it has an instantly recognizable, world-famous trademark. Yet 7-Eleven says that it can provide prospective franchisees with the opportunity to own a true neighborhood business. 7-Eleven believes that its ordering system, POS scanning system, and other technologies enable franchisees to have customized product assortments that reflect the localized needs and preferences of customers. Thus, franchisees can always have the products customers want whenever they step into a local store. 7-Eleven also promises to prepare its franchisees for success by providing initial and ongoing training, financial assistance, payroll services, twice-a-week consulting services and other support.

Does 7-Eleven’s model live up to the statement often heard in franchising circles that: “Franchising lets you go into business for yourself but not by yourself?” Discuss.

**Questions.4 (10 Marks)**

Illustrate the relevance of internal cost, competition and market demand of a product to decide the pricing strategy of a FMCG company. A distributor has purchased 100 handbags at ₹18 each. Some of the handbags will be sold at ₹28 to the retailers of Dewas and others will be sold at ₹36 to the retailer of Ujjain. How many handbags should be put at each price point to realize a maintained markup of 40% assuming no reductions?