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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management (Batch-2023-25) |
| **Course Title: Distribution & Channel Management, (Course Code: 40122)**  **End-Term Examination, Term - IV (October, 2024)** | |
| **Time Duration : 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *Marks against each question is indicated to its right.*
3. *Answer all the questions of a ‘Section/Question’ at one place in continuation.*
4. *Answers should be brief and to the point.*
5. *Do not write on the question paper except your roll number.*

**Q.1** Jugal Raj recently became a franchisee of the Big Brother Printing franchise. Big Brother Printing specializes in selling replacement cartridges for printers. Jugal was pleased to be one of the almost 700 franchisees in the Big Brother Printing franchise (India’s largest toner replacement franchise). Although he had paid a franchise fee of Rs. 2,00,000 to Big Brother Printing and invested almost Rs. 12,00,000 to start up his franchise, he was confident that the future will be good. Big Brother Printing had been in business for almost 8 years and the fact that so many franchisees had been stablished during that time gave him the feeling of being part of a large and strong organization. Further, he thought there would always be a need for print cartridges simply because print cartridges always run out of ink and have to be refilled or replaced. The only thing that really concerned Jugal was the 8 percent royalty he had to pay to Big Brother Printing on all of his sales. Competition from other toner replacement franchises were growing and big name cartridge manufacturers such as Xerox were getting more aggressive. Jugal wondered if he could continue to pay the 8 percent royalty in the long run if increased price competition squeezed his margins.

**Analyze and create a strategy for Big Brother Printing to address the concerns of Jugal Raj? Identify and explain limitations on Big Brother Printing’s capacity to respond?**

**(Mark- 10)**

**Q.2** Maker Oats Co. has two drinks under its umbrella. First, it acquired a brand name Mogu Togu, which is a brand of tea and juice drinks. Second, Big Bull, which is its own brand, this is around sports and energy themed beverage. After several years of horrible financial results, Maker had to sell its Mogu Togu division at a loss in excess of a million dollars. Market experts point to several factors, especially the super-competitive nature of the soft drink market. But Maker’s lack of understanding of the channel structure for soft drinks certainly played a key role. Maker had hoped to gain tremendous synergy by tying Mogu Togu products to its highly successful Big Bull. But the typical distribution structure for Big Bull is from factory to retailers’ warehouses, where individual stores then order what they need to keep their shelves stocked. Maker knew this pattern well and was comfortable with it. By contrast, Mogu Togu is distributed directly to stores on trucks driven by independent distributors. Usually these distributors carry a variety of other branded soft drinks, so they would not devote undivided attention to Mogu Togu products. Maker either did not really understand this fundamental difference in channel structure or believed it could change it with relative ease. As it turned out, the company could not change the distribution structure of Mogu Togu to mirror Big Bull.

**How would you design the channel structure for Maker Oats, a giant food products company with substantial resources, and specify the channel structure with channel partners in the design so that Mogu Togu can mirror the success as Big Bull?**

**(Marks-10)**

**Q.3** One of the potentially powerful advantages of m-commerce is the ability of sellers to target offers to consumers when they are in close proximity to the seller. This is made possible based on smartphone technology that tracks the exact geographical locations of their users. For example, if a consumer is near a D Mart store, a text message can be automatically sent to the consumer’s smartphone about a special offer on, say, Taj Mahal Tea and Madur Sugar. The technology that has made such m-commerce based proximity marketing possible was developed by some startups in the USA. Although available to anyone with a smartphone, the proximity alerts will only be sent to consumers who have signed up for the program.

**Analyse and apply the concept to a product / industry for which this type of m-commerce is an important channel option for consumers and sellers, present a case with an example. (Marks - 10)**

**Q.4** H-Blunt, a manufacturer of specialized high-quality hair care products, has made it a policy to sell its products only through “hair care professionals.” Only better beauty salons and specialty stores are selected by the company to represent its products. Yet somehow, H-Blunt products were being sold by G-mart stores in Mumbai, a supermarket chain. Upon hearing this, the company filed suit against G-mart, alleging that G-mart was selling substandard batches of H-Blunt products and had bought the products from a former H-Blunt supplier. The batch of products in question had been rejected by H-Blunt because of poor quality and, therefore, should not have been made available for resale through any retailers, let alone G-mart. H-Blunt requested that the court issue a temporary restraining order that would forbid G-mart from selling the H-Blunt products.

**Why did H-Blunt go to such lengths to prevent these products from being sold by G-mart? Discuss in terms of the channel member selection strategy apparently being used by the manufacturer.**  **(Marks-10)**