**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FIFTH TRIMESTER (Batch 2019-21)**

**END TERM EXAMINATION, JAN-2021**

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| Course Name | **Distribution and Channel Management (DCM)** | Course Code | **MTK503** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**Instructions: All the questions are compulsory and carry equal marks**

**Question 1. *Business Case*:** Surgi Safe Industries (SSI) at Industrial Estate. New Dehli is the first company among the few about to launch plastic disposable syringes in India. Apart from the traditional glass syringes, the company has only one competitor named “Doctors Choice” which has been recently launched in Karnataka. The SSI has been set up in collaboration with DispoFranc, a French Company, who are the leaders in the market in Europe. This project could be realized after the recent liberalization policy of the Government of India. Shri. Ashok Raina is the Indian promoter of SSI. The product, although well established in Europe, is new to the Indian market. The quality standards and technical expertise of Dispo Franc are very high. Production in India, to begin with, is planned under the guidance and close supervision of DispoFranc. As each syringe is sterilized and packed in single blister pack with the latest technology, they offer complete safety to the user against any type of contamination. Moreover, the market price of SSI syringes is expected to be much lower than the traditional glass syringes and comparable to those of ‘Doctors Choice’. The analysis / study of available and collected data for demand projections for the coming decade reveals the existence of large potential market. However, Shri. Raina visualizes initial resistance to change from doctors. He, therefore, envisages a large scale education cum awareness programme for doctors as well as for general public while trying to pinpoint his company’s target market. Shri. Raina lists hospitals (both government and Private), nursing homes, maternity clinics, private dispensing doctors as well as individuals as potential users / customers. While preparing for a meeting of the Board of Directors, Shri. Raina’s mind is busy thinking about the following issues, likely to crop up at the meeting.

**Questions:**

1 (a) Have the target markets been correctly identified? Explain

1 (b) How should the company proceed to overcome the initial resistance to change and develop a good market for the product?

1 (c) What sort of distribution network the company should setup to reach the varied type of target buyers?

1 (d) What would be your advice to Shri. Ashok Raina in these issues? Elaborate.

**(a, b, c & d above carry 2.5 marks each)**

**Question 2.** What are the various channel intermediaries frequently used for distribution? Explain with illustrations? Highlight their roles and responsibilities. **(10 Marks)**

**Question 3.** COVD-19 Vaccine needs to be distributed and administered for 1.35 Billion Population of India. If you were the heath minister, how would be guide your ministry to distribute and administer the vaccine keeping in the mind the ethical & legal issues in such a distribution. Elaborate on the ethical issues which you will keep in mind. **(10 Marks)**

**Question 4.** Snigdha Cosmetics Ltd. A leading manufacturer of Face Creams, Fairness Creams, Shampoos, Toilet Soaps, etc., located at Mumbai has an annual turnover of Rs. 150 Crores. Presently the company is concentrating its marketing activities in the state of Maharashtra. The company has recently added extra manufacturing capacity and it proposes to triple its production. In order to meet enhanced sales to a tune of 500 Crores, the Company proposes to have a wider market network. In order to penetrate into new markets the chief executive of the company (CEO) asked his Distribution Manager, Marketing Manager, Sales Manager and Product Manager, each one of them to give a write up how they propose to enter into the new markets by selecting appropriate distribution channels. The four managers after detailed study have suggested four different channels of distribution as detailed below. These are:

(a) Exclusive distribution suggested by Marketing Manager

(b) General distribution suggested by Distribution Manager

(c) Bulk Indenter e.g. canteen, stores, factories, supermarkets, clubs etc., by Product Manager,

(d) Appointment of carrying and forwarding agent suggested by sales manager.

The Chief Executive Officer, is in a dilemma to choose the best alternative among the above suggested channels of distribution.

**Questions for discussion**:

(a) Discuss the pros and cons of each suggestion?

(b) What channel or combination of channels you feel is most appropriate and justify your choice?

**(a & b above carry 5 Marks each)**