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Executive Summary

EXECUTIVE SUMMARY

Title of the Report:

The dissertation report titled “Sales and Distribution Management of Electrical Accessories”

Company for which the project work was under taken:

Havells, Finolex, Anchor, Lisha.

Purpose of the study:

Firstly: The dissertation project was under taken to fulfill the MBA curriculum requirements of BANGALORE UNIVERSITY.

Secondly: It was under taken to study “Sales and Distribution Management of Electrical Accessories” and relate this to theoretical knowledge acquired.

Sample size:

It covers all functional areas and also a survey with reference to sales & distribution network.

Data source:

Primary sources ----- Interviews from Respondents.

Secondary source ----- Brouchers and Websites.

INTRODUCTION

GENERAL INTRODUCTION

The consumer durable market is expanding rapidly, thanks to continuing economic growth technological advancement, marketing strategies and frequent product innovation.

ELECTRICAL ACCESSORIES:

The range of production of various accessories includes a variety of products. System for usage such as houses, buildings, airport run-ways, mines, ports, sport fields, etc. The energy fluctuations have resulted in coming into being, energy efficient products giving output as near to last long as possible. The new and companies coming with innovative products, are becoming more popular.

Since Research and Development in electrical industry in INDIA is limited, manufacturers are depending mainly on imported know-how and technical collaboration. Several established manufacturers have started manufacture of quality efficient and also for house accessories. There is room for fresh entrants with specialized products and systems. The industry is de-licensed and is also eligible for automatic approval for Foreign Direct Investment.

CONSUMER DURABLES: Still Evolving

The Electrical Industry covers a wide range of products which includes various goods. The existing production capacity is sufficient to meet the domestic demand as well as exports. The industry has been de-licensed. Household Electrical Accessories are now widely used in the country and two technical aspects specific to this products are safety and quality.

Take the example of the electrical accessories market, which is expanding rapidly. The market has substantially increased over past 1-2 years with increasing competition and more frequent introduction of the giants in the Electrical Industry. With a thrill a minute happening on this front, demand for E A is expected to remain strong.

Brand Image and Brand Building is a killer pair for achieving success in a market life with increasing competition. Manufactures have to concentrate on building brand strength to economize their scale of operations and to increase their market share. Good distribution network, better dealer and logistics management also help on increasing market share. This is particularly important in the current scenario where competition has increased strongly.

***INTRODUCTION
OF THE PROBLEM***

Title of the Project

***“SALES & DISTRIBUTION MANAGEMENT OF
ELECTRICAL ACCESSORIES IN BANGALORE”***

Statement of the Problem

Conglomerates, which have come to India due to Liberalization, and trying to sustain their stand in the Indian market, have made the competition for the survival of Indian Electrical Industries tougher. The secondary factor being the entry of many players in the market has brought a decrease in the sale of the local manufacturers, and also the price war with aggressive marketing has lead to a threat among the electrical industry giants, the solution is only innovation, in the marketing, pricing, sales and distribution, product and schemes.

This is the first step in the research methodology. It is very important to define the statement of the problem because of the saying that “A problem well defined is half solved”. In this study it is mainly focused on sales & distribution, which is an important aspect in the marketing to know the market share of the company.

The problem statement involves identifying the following:

- How best S & D channel is serving the outlet.
- Whether Dealers are satisfied with the company's management.

- Whether the dealers have received any complaints from consumer towards the electrical products or S & D of the company.

In many ways innovation is the single most important block of competitive advantage. Successful innovation of products gives a company something unique that competitor's lack. This uniqueness may allow a company to charge a premium price or its cost structure below that of its rivals. Competitors will however try to imitate innovations. Often they will succeed although the barrier to innovation will make the pace to imitate slow. Therefore maintaining a competitive advantage requires a continuing commitment to innovation.

Purpose of the Study

Understanding the buying behavior of the target market is an essential task of the marketing people of the firm. Since consumers vary tremendously in age, income, educational level, mobility patterns and taste, marketers, find it is very useful to distinguish between different consumer groups and segments to develop products and services to satisfy their needs most effectively.

The literature helped in identifying the factors of consumer buying behavior, perception about prices etc., the literature reference helped in preparation of questionnaire and analytical methods.

Bangalore is an important economic base and a place where economic development has reached escape velocity.

There is a fierce competition now days. The electrical accessories also carries out one such competition, every company is offering their best into the market. There it becomes much important to know whether the customers are satisfied towards the products that are the ultimate promoters.

The study analyses the price perception and the impact level on the sales volume. Further the ROI given by various companies to distributors, wholesalers and retailers is also studied.

The study no doubt deals with more or less comprehensively with relation to the objective, however it does not claim and completeness and accuracy in its findings as there were limitations while the study.

The main purpose of this project is to study sales and distribution strategy of electrical accessories in Bangalore. The purpose is also to find out how other brands have been successful in gaining the market share in Bangalore and to find out the effect of price positioning in Sales Volume. The project is also done for the fulfillment of the requirements for the award of M.B.A. of Bangalore University.

Scope of the Study

Various aspects covered in the study are:

- Determining whether the retailers are complying with price standards of the company.
- The study helps to know the improvement needed by the company towards electrical products.
- The study gives the company an idea to come up with new innovations in the products.
- The study gives a clear idea to the company about the S & D management of other industries.
- The research gives the result of most valued product in the market.

OBJECTIVE OF THE STUDY

- Identify whether the sales and the distribution has a direct impact in the volume of sales.
- Emphasize on price fluctuation by the retailers with reference to the companies price marked for the accessories.
- Comparison for the Quality & Services, time of delivery & distribution network rated by Wholesalers.
- Amount of satisfaction level with respect to Quality & Services of the Company by Dealers.

RESEARCH DESIGN

Research Methodology

Methodology

The study is about the Sales and Distribution Management of Electrical Accessories in Bangalore. Area of this study is limited to Bangalore. Survey method was adopted for this study. Field work was carried out to collect the necessary data.

In this study for the collection of constituted Primary Data – Secondary Data was gathered from books, journals, research papers and magazines. The purpose of research is to discover answer to questions through the application of scientific procedures. Adopting sequencing, selection of sample size, analytical tools suggested were taken from the established procedures detailed in research methodology books, consumer behavior books.

Four different questionnaires were used i.e.

- One for Companies
- One for the Wholesalers

- One for the Distributors
- One for the Retailers

Data Collection Methods

Actual Collection of Data

The task of data collection begins after a research problem has been defined and research design / plan chalked out. While deciding about the method of data collection to be used for the study, the researcher should keep in mind two types of data viz., Primary and Secondary.

The primary data are those, which are collected afresh and for the first time, and thus happen to be original in character. The secondary data, on the other hand, are those which have already been collected by someone else and which have already been passed through the statistical process. The researcher would have to decide which sort of data he would be using for his study and accordingly he will have to select one or other method of data collection. The methods of collecting primary and secondary data differ since primary data are to be originally collected, while in case of secondary data the nature of data collection work is merely that of compilation.

Collection of data through Questionnaires

This method of data collection is used in this project which is quite popular, particularly in case of big enquiries. It is being adopted by private individual, research workers, private and public organizations and even by governments.

In this method a questionnaire is sent to the persons concerned with a request to answer the questions and return the questionnaire. A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms.

The merits claimed on behalf of this method are as follows:-

- There is low cost even when the universe is large and is widely spread geographically.
- It is free from the bias of the interviewer; answer is in respondent's own words.
- Respondents have adequate time to give well thought out answers.
- Respondents, who are not easily approachable, can also be reached conveniently.
- Large samples can be made use of and thus the results can be made more dependable and reliable.

Before using this method, it is always advisable to conduct pilot study for testing the questionnaires. In a big enquiry the significance of pilot survey is felt very much. Pilot survey is infecting the replica and rehearsal of the main survey. Such survey, being conducted by experts,

brings to the light the weakness of the questionnaires and also of the survey techniques. From the experience gained in this way, improvement can be effected.

Both primary and secondary source of data were used attaining the set objectives.

Primary Data:

Survey has been used as a method to collect the primary data. The data was collected from respondents who were interviewed through direct contacts. This first hand response was the basis on which the analysis was carried out.

Secondary Data:

Current information regarding the subject and the company has been obtained from newspaper, business magazines, company profile, Internet besides library books and contents from over faculty in charge was of great help.

Research Instruments

Instrumentation Technique

Marketing researchers have a choice of two main research instruments in collecting Primary Data: Questionnaire and mechanical devices. The main instrument that has been used in data collection is a questionnaire, which was mainly constructed for this purpose. Primary data has been obtained using this instrument. Two types of questionnaire are used open end and closed end.

The type of questionnaire adopted here is closed ended and open ended:-

- Tabular representation of data: The qualitative responses were tabulated and represented in table form.
- Percentage: The table contains absolute figures and the percentage in respect to the total figure. The percentage was used to generalize the study.
- Graphs: The aggregated table is represented periodically to provide easy comprehension of the data.

Analyzing the Information

Step1: For better conceptualizations of understanding of the issue, the whole of the study is divided into 4 steps pertaining to the information.

Step2: The data obtained is aggregated and represented in the tabular form. The tables contain the absolute figures and their percentage to the total.

Step3: The percentage are analyzed to quantify the trends shown. Inferences have been drawn using the tables and graphs.

Sampling

Sampling Technique

Since the whole area cannot be surveyed, Bangalore city is taken as a Target Market and in that only target population is targeted that is the respondents who have purchased the products and the dealers who are dealing with the particular company product and have been surveyed.

Sample Procedure

The sample procedure adopted here is non probability area sampling procedure; in this procedure questionnaires are filled from respondents who are retailer, dealers and whole sellers of selected areas. Convenient sampling was followed to collect data from competitors of electrical industry.

Type of Research

The type of research used for the study is a qualitative study presented by quantifying the qualitative variable. The target respondents were pointed out and a survey was conducted amongst them, using interviews method.

Qualitative research is concerned with qualitative phenomenon, i.e., phenomena relating to or involving quality or kind. This type of research, aims at discovering the underlying motives and desires, using in depth interviews for the purpose.

Attitude or opinion research i.e. research designed to find out how people feel or what they think about a particular subject or institution is also qualitative research. Qualitative research is especially important in the behavioral sciences where the aim is to discover the underlying motives of human behavior. Through such research we can analyze the various factors, which motivate people to behave in a particular manner or which make people like or dislike a particular thing.

Sample Size

This refers to the number of items to be selected from the universe to constitute a sample. This is a major problem before a researcher. The size of sample should neither be excessively large, nor too small. It should be optimum. An optimum sample is one, which fulfills the requirements of efficiency, Representativeness, reliabilities and flexibility.

While deciding the size of sample, researcher must determine the desired precision as also an acceptable confidence level for the estimate. The size of population variance needs to be considered as in case of larger variance usually a bigger sample is needed. The size of population must be kept in view for this also limits the sample size. The parameters of interest in a research study must be kept in view, while deciding the size of the sample. Cost too dictates the size of sample that we can draw. As such, budgetary constraint must invariably be taken into consideration when we decide the sample size.

The sample size of 30 consumers was envisaged. A sample of 20 respondents was selected from the Garden city Bangalore.

Basically sample of this study is from the Bangalore city, which are 5 retailers, 5 wholesalers, six distributors and four companies of different brands in the electrical industry.

Analysis

The results analyzed from the study are:

- The research work was very helpful to my knowledge.
- The companies have good reputation in the market.
- The major strength of the companies was they marketing strategies.
- The innovative and quality products of the company are one the criteria of they hold in the market.
- All the customers of the company are happy with they policies.
- The Sales & Distribution channel was designed in good manner
- The loyal customers of the company are the strength of the company.

- The customers (wholesalers, distributors, companies, retailers) need more advertising by the company in the market.
- The customers need some new ideas to be applied by the company.

Limitations of the Study

The main constraints that were experienced during the study are:-

- Time limitation was a basic constraint.
- The study was limited to Bangalore city.
- Biased answers may were given by the respondents in the outlets due to fear of loosing the grants from the company.
- Some respondents refuse to cooperate.
- The study is conducted under the assumption that the information given by the respondents in the outlets is authentic.

PROFILE OF THE COMPANY

HAVELLS

Overview:

Havell's has emerged as an independent medium sized company with uncompromising ethical standards and a definite global perspective. It has defined conventions and has evolved its very own remarkable structure -one that puts decision maker in close contact with customers and quickly adapts to the rapid changes in technology.

It began as a trading concern in 1958 and today is a major manufacturer and supplier of the widest range of low voltage electrical equipment catering to the needs of domestic and industrial market.

Havell's is now perceived as a single source for all your low voltage electrical requirements. Most of its products have both national and international certifications from independent testing authorities, and it is a matter of pride that the company is widely perceived as a quality manufacturer with a reputed brand image. Hence its customers place an unconditional trust in us.

The Milestones:

A look at the milestones in over three decades of journey to excellence, maps its emergence as a major industrial force in the country and abroad.

1958 :	Commenced trading operations in Delhi.
1976 :	Set up the first factory for Rewireable Switches and Changeover Switches at Kirti Nagar, Delhi.
1979 :	Set up a factory for HBC Fuses at Badli, Delhi.
1980 :	Started manufacturing high quality Energy Meters at Tilak Nagar, Delhi.
1983 :	Took over Towers and Transformers Ltd. And turned it around in one year to profitably manufacture Energy Meters in the Company.
1987 :	Started manufacturing MCBs at Badli, Delhi in Joint Venture

	with Geyer, Germany.
1990 :	Set up a manufacturing unit at Sahibabad in UP for Changeover Switches.
1993 :	Set up another factory at Faridabad, Haryana for Control gear Products.
1996 :	Took over a manufacturing unit at Alwar, Rajasthan for Power Cables & Wires. Entered a Joint Venture with Electrium, UK for manufacturing Dorman Smith MCCBs and Crabtree Modular Plate Switches.
1997 :	Took over Electric Control & Switchboards at NOIDA for manufacturing customized packaged solutions.
1998 :	Introduced high-end Ferraris Meters in Joint Venture with DZG, Germany.
2000 :	1. Acquired controlling stake in Duke Arnics Electronics (P) Limited engaged in manufacturing of Electronic Meters-Single Phase, Three Phase, Multi Function, Tri Vectors. 2. Acquired controlling interest in an industry major-Standard Electricals Ltd.

2001 :	Acquired business of Havell's Industries Ltd, MCCB of Crabtree India Limited and Merged ECS Limited in the company to consolidate in its area of core competence.
2002 :	Standard Electrical Company becomes a 100% Subsidiary of the company.
2003 :	The company is posed for ISO: 14001 accreditation after successfully obtaining ISO 9001:2000 certification.
2004 :	1. Set up factory at Baddi (H.P.) for manufacturing of Domestic Switchgear. 2. Set up a plant for manufacturing of CFL at existing Faridabad Works 3. Set up a plant for manufacturing of Ceiling Fans at Noida 4. Set-up our own marketing office in London through our wholly owned subsidiary Company Havell's U.K. Ltd. 5. In December, 2004 placed 235 fully convertible debentures of Rs. 10 Lacs on M/s. Shine Ltd., Mauritius and the debenture will be converted in June, 2006
2005 :	1. Set up factory at Haridwar (Uttaranchal) for manufacturing of Fans. 2. Awarded the KEMA certification by The Dutch Council for Accreditation, making QRG the only group in India which has this certificate

	3. Set up of R&D Centre in Noida H.O.. 4. Crabtree India merged with Havell's India.
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The company's strong position in electrical durables and its emphasis on building the Havells brand into one of the key players has been paying rich dividends, say market players. They are also keenly watching its expansion plans.

The company is planning to enter into two new segments — electrical motors and power capacitors at a capex of Rs. 100 crore. Also, the prices of company's principal inputs — aluminium and copper — have been declining which may pep up its bottom line.

FINOLEX

HISTORY OF FINOLEX

In July 1945, two young brothers P.P Chhabria and K.P Chhabria came to Pune from Karachi in search of a livelihood and within six months set up a small shop selling electrical cables. The retail business became quite successful. A sizeable order in the mid 1950's from the Defence Department for wire harnesses for trucks and tanks bolstered their confidence and they decided to manufacture Cables, themselves.

Starting as a small-scale industrial unit in 1957, they manufactured PVC insulated cables for the automobile industry. Finolex brand was born from "Fine" & "Flexibles" and "O" with an electric arc across it - signifying the electrical cable business the company was in. Their relentless search for growth and doughty perseverance saw them through some difficult times and in 1972 the enterprise turned into a limited company.

Since then, there has been no looking back and following a public offering in July 1983, Finolex Cables Limited embarked on a

continuous process of expansion and modernization which enabled it to become the most diversified largest cable manufacturer in the country.

Their relentless quest for growth saw the brothers establishing Finolex Industries Limited in 1981. The company sought to manufacture Rigid PVC Pipes and Fittings at Pune, which find large-scale application in the agriculture sector. In a shrewd move towards backwards integration, the company has set up a PVC resin manufacturing facility at Ratnagiri on the west coast of India.

The early nineties saw the Finolex Group expanding into new business domains to manufacture Optic Fibre Cables and Copper Rods. Today the Group turnover exceeds Rs.20 Billion (about US \$ 450 million)

FCL and FIL are the two group companies whose equity shares are listed on the Bombay Stock Exchange and National Stock Exchange. Global Depository Receipts of FCL are also listed on the Luxembourg Stock Exchange. Professionally managed, with continuous updating of technology and strict quality controls, Finolex strives for maximum customer satisfaction. Over the years, it has attained a significant position on the industrial map of India.

Overview:

Finolex Cables Ltd, the flagship company of the Finolex Group was established in 1956 in Pune. Today, it is India's largest and leading

manufacturer of electrical and telecommunication cables with a turnover in excess of Rs. 6275 million (about US \$ 134 million).

The company started its operation with the manufacture of PVC insulated electrical cables for the automobile industry. Since then, the Company has constantly endeavored to augment its product range to include, PVC insulated electrical wires and Flame Retardant Low Smoke electrical wires, PVC insulated single core and multicore industrial flexible cables, PVC insulated winding wires and 3 core flat cables, power and control cables, polythene insulated jelly filled telephone cables, Auto & Battery cables, Co-axial and CATV cables, LAN Cables, Switchboard cables, Fibre Optic cables and others.

The company has manufacturing facilities at Pimpri and Urse in Pune as well as at Goa. The company has, over the years, established its reputation as an innovative leader and quality manufacturer by continuously upgrading technology, modernizing manufacturing facilities and maintaining highest standards of quality and services.

The company has received several honors such as Harvard Business School Association of India - Economic Times award for "corporate excellence"; IIM - LIC award for 'Marketing' and the Engineering Export Promotion Council's 'export performance certificate'. Recently, the company was awarded the Export House status by the Directorate General of Foreign Trade.

“The demand for Company’s products under both the divisions i.e. PVC Resin and PVC Pipes continues to be strong. The Company’s initiatives

in expanding its network across India are paying rich dividends. The outlook for the current year is positive as demand from agricultural sector as well as construction Industry is expected to keep growing.”

New Projects

Power project:

The 43 MW power plants is under construction. It is expected that a part of the power so generated can be marketed and sold. Given the current power deficit in the State, this is an opportunity for the Company to generate additional revenue. The estimated completion time is November 2007.

Special Economic Zone [SEZ]: The Company has more than 70 acres of prime land vacant at its Pipes plant in Chinchwad, Pune. The Company intends to unlock the value of this property. Various options such as setting up of SEZ as a developer, or outright sale of the property to a developer are under active consideration and the Company is hopeful of concluding the proposal shortly.

Breakwater facility: The Company's port at Ratnagiri is currently a fair season port i.e. it is closed during monsoon. The Company has been

planning to construct a Breakwater to make the port all weather. The Company has already received Environmental clearance for the said construction and the order has been placed on Afcons for construction.

ANCHOR

Overview:

With over thirty years of tradition in the field. Anchor name is inextricably woven into the fables of India. From a simple rural dweller in a newly electrified village to a modern urban resistant in a blistering metro. Anchor offers a wide range of choice to them all: at affordable price. In fact value-based products to suit diversified installation needs.

In diversified places like modern flats, villas, bungalows, offices, hotels, hospitals, airports, laboratories, auditoria, sports complexes, commercial premises, cultural centres and industrial factories. By fusing formidable engineering skills with innovative talents, harnessing men and materials to build products of value. No wonder leading architects, interior decorators and electrical contractors relay on the Anchor products for their diverse needs.

Situated at various places all over in India comprising of various manufacturing plants sprawling over many acres of land. Anchor is

humming with men, machines, methods and materials to turn out high quality products. With value anchored in vision to improve quality of life.

- Established in 1963.
- Pioneer & Brand leader in Electrical Accessories.
- 1st to get ISI certification.
- Widest range to suit every type of project economy, medium and state of the art 'ROMA' Modular range.
- Strong Nation-wide network of 15,000 dealers to ensure ready availability and render after sales service.
- Diversification: MCBS, PVC insulated wires, Fans, Tube-lights & bulbs, Lighting and Luminaries, Appliances, e.t.c.
- Innovative out-look, Solid R&D set up.

Products:

What do you do after creating masterpiece? You frame it. Precisely why after Roma, you now have Roma Vision, a unique twin - plate system. The inner plate is where you clip in the modular switches while the front plate comes in a choice of 6 vibrant colors. So you can select the one that'll compliment your wall best. An added advantage being that you can change the front plate any time you wish to paint or re-decorate your home.

ROMA VISION | ROMA REGULAR | ROMA GOLD | ROMA
HORIZONTAL SLEEK | ROMA VERTICAL SLEEK | PANEL
MOUNTING FRAMES

LISHA

Overview:

Established in 1961, Lisha has developed rapidly into one of the foremost manufacturers of Electrical Switches & accessories in India. Our operation is composed of three segments: a highly sophisticated manufacturing operation for production, a research and development section for creating new designs and technical sales and service for our products.

Lisha Electrical Pvt. Ltd. owes its success as a market leader in the field of Light Switch Systems to the Company's extensive technical know-how, top quality products and complete customer service.

With innovation as the keyword, Lisha Electrical Pvt. Ltd., gives constant assurance of high quality products backed up by ultra Modern

design, complex laboratory testing and the application of advanced production processes to achieve maximum quality, safety and durability.

Products:

Welcome to Lisha Electricals. We at Lisha are Proud of our products that can meet the strictest technical and commercial requirements of our customers in various fields. With innovation as keyword Lisha gives constant assurance of high quality products backed by modern designs, complex laboratory, testing and application of advance production process. Success is the result of sound company policy and awareness to extraordinary potential of advance high grade raw materials in the electro-technical industry to ensure each product has following properties. Top electrical & mechanical performance level. Design as an all important factor. Simple practical installation.

Our product range from 6 Amps, 13 Amps, 16 Amps & 32 Amps Switches, Sockets, Plug Tops, Holders, Ceiling Roses, Indicators, Fuse Units, T.V. & Telephone Sockets, Fan Regulators & Light Dimmers, Double Pole Switches and a range of calling bells & Buzzers. Never compromising on quality, we strive to bring to you products that form a crucial and integral part of your business.

We introduce you to two ranges of products which our company specializes in manufacturing.

- Lisha range of Switches
- Leon range of Modular Switches

DATA ANALYSIS & INTERPRETATIONS

Presentation and Analysis of data and interpretation of:-

‘Survey done in the Retailers Segment’

R1.Table showing brands sold by the retailer

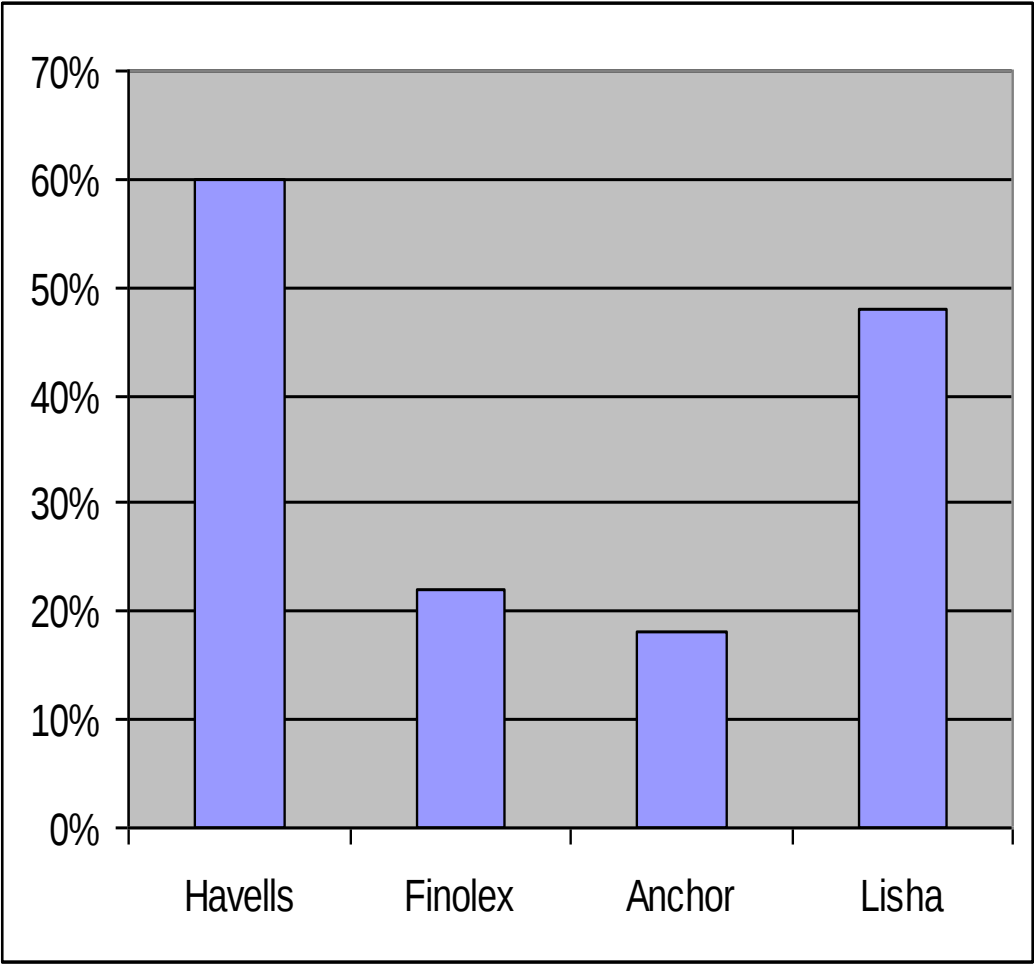
Name of company	No of retailers (50)	In percentage (%)
Havells	30	60%
Finolex	11	22%
Anchor	9	18%
Lisha	24	48%

Concept: The purpose of this table is to see the reach and awareness of the company's in different geographical areas.

Observation: The table reveals that Havells has got 60% reach, which clearly can be understood that they have a wide and better distribution system than others, followed by Finolex.

Interpretation: From the above table it is clear that Havells has got a major share in the electrical accessories segment and a much preferred brand than others. Followed by Finolex, Anchor and Lisha.

Graph # R1



R2. Table showing the role of pricing in the fastest selling brand

Response	Number of respondents	In percentage
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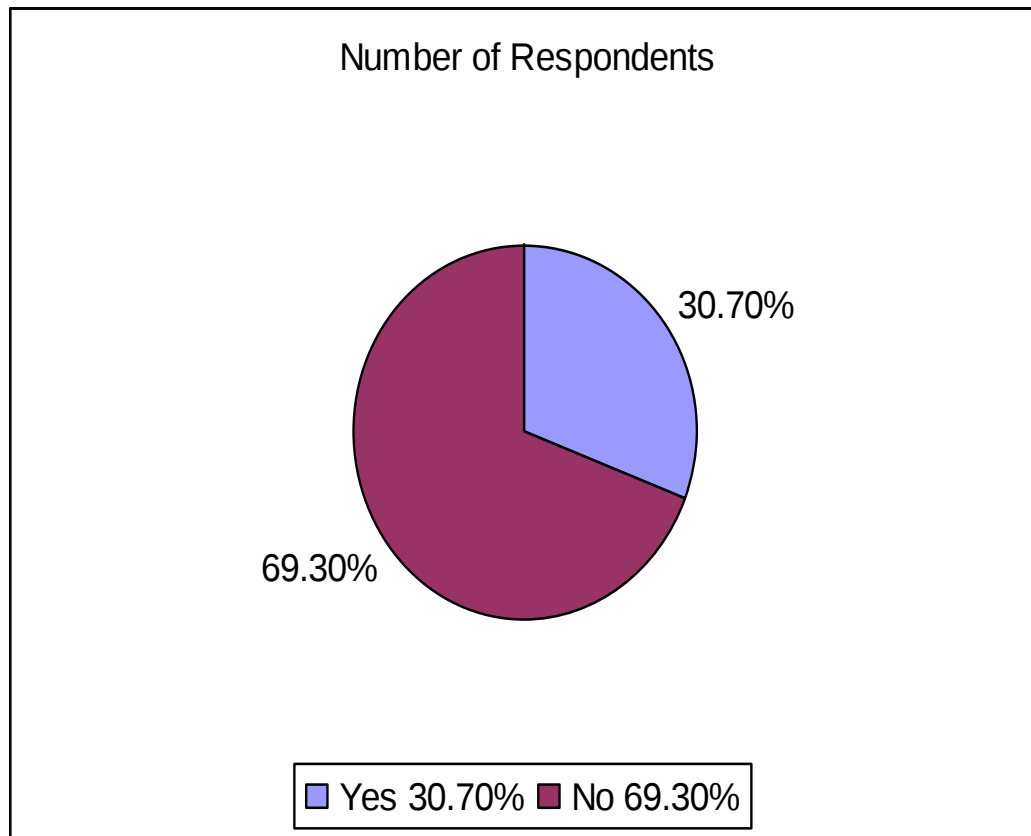
Yes	12	30.7%
No	27	69.3%
Total	39	100%

Concept: The purpose of this table is to study the whether price is playing a role in the fastest selling brand.

Observation: The above table reveals that 30.7% respondents feel that price is playing a role in fastest selling brand but 60.3% do not feel so.

Interpretation: The graph shows that price is not playing a major role in the fastest selling brand only 30.3% of the respondents say that price is playing a major role in their fastest selling brand.

Graph # R2



R3. Table showing the retailers suggestions to companies to improve sales regarding price.

SUGGESTIONS	ACTUAL	PERCENTAGE
Improve credit policy	12	24%

Retailer margin	16	32%
Price reduction	4	8%
Direct payment	2	4%
Schemes regarding prices	4	24%
Unattended	12	24%
TOTAL	50	100%

(Percentage are calculated on the basis of total number of responses)

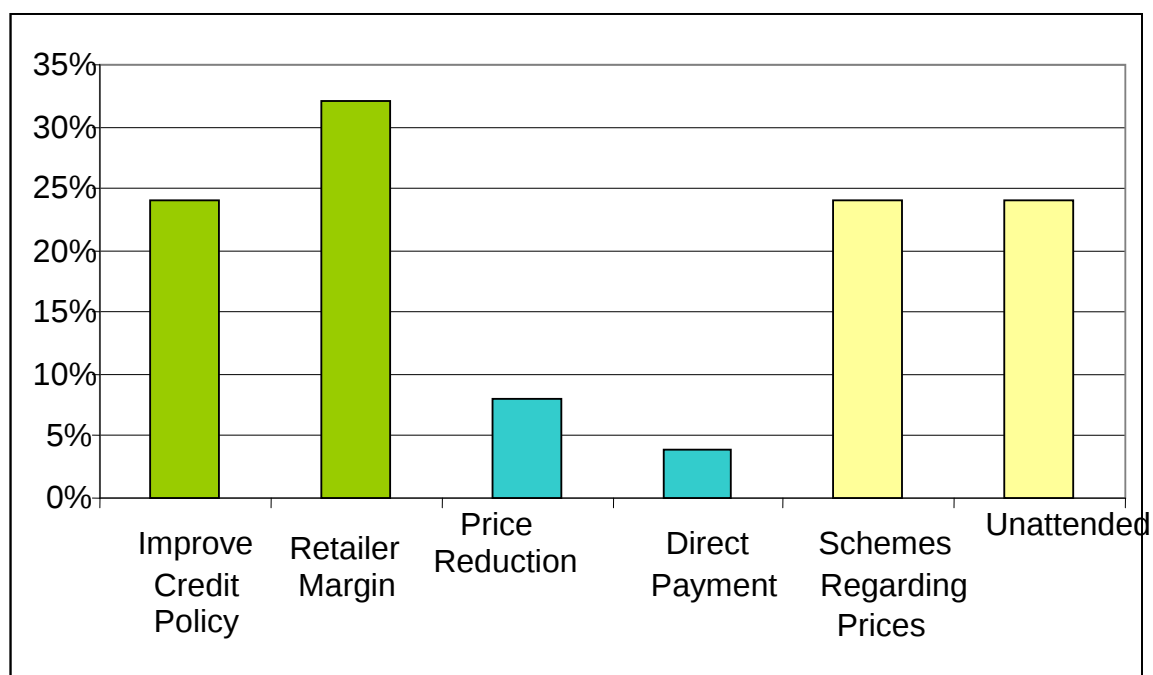
Concept: The purpose of this table is to study what retailers feel is needed to boost sales regarding price.

Observations: From the above it can be observed that suggestions regarding credit period range for about 24%, retailer's margin to be increased price reduction of the product is at 8%, schemes regarding prices at 8% and direct payments are at 4% each.

Interpretation: More emphasis is laid by retailers regarding credit period, & increasing there margin.

Graph showing the retailers suggestions to companies to improve sales regarding price

Graph # 3



R4. Table showing the pattern of purchasing by the retailers from the company

Pattern	From the company	Percentage

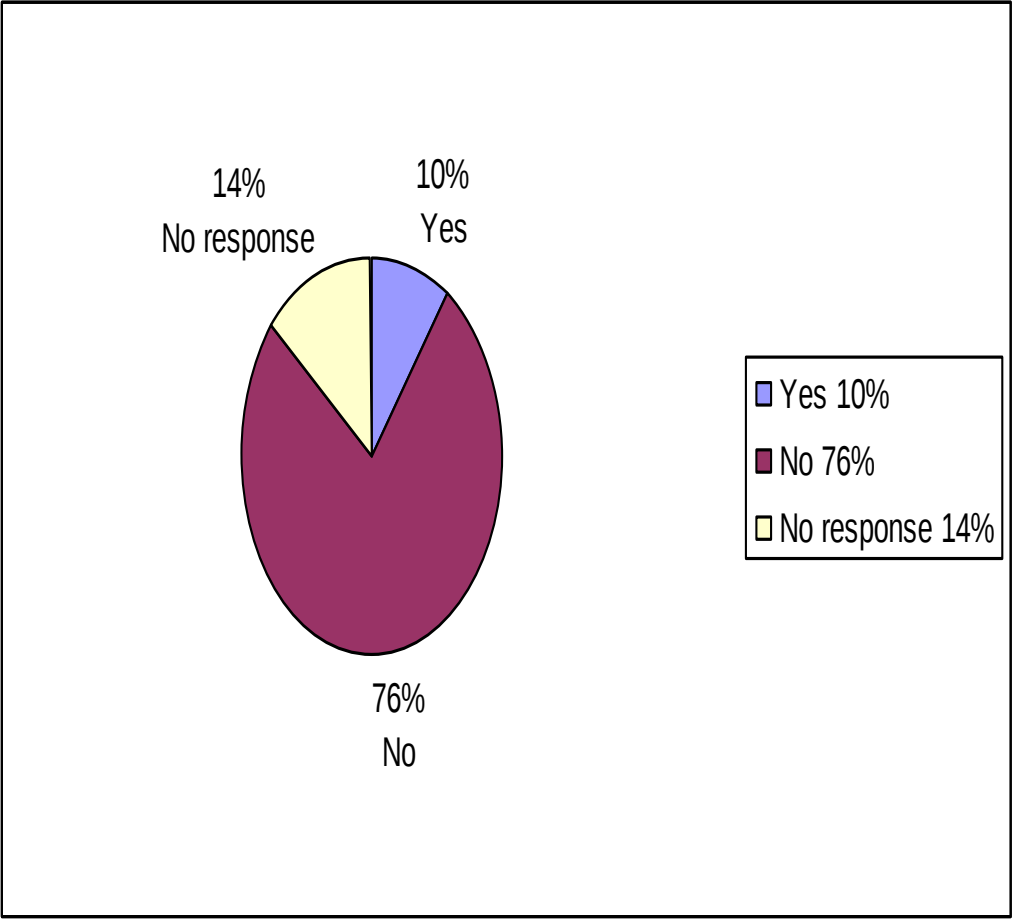
Yes	5	10
No	38	76
No response	7	14
Total	50	100

Concept: The purpose of this table is to study the buying pattern of the retailers.

Observation: From the above table it is clear that only 10% of the retailers sample buy, from the company. 76% of them buy from the distributors & wholesalers and 14% did not respond.

Interpretation: From the above table it is clear reach of the distribution level is major done by the company distribution & the wholesalers.

Graph # 4



R5. Table showing whether there was a downfall in the sales.

Options	No of response	Percentage

Yes	27	54%
No	13	26%
No response	10	20%
Total	50	100

Concept: The purpose of this table is to know whether there was a downfall in the sales of electrical accessories from past one year.

Observation: From the above table it can be seen that 54% of the retailers have told that there was a down fall in the sales of the electrical accessories and only 26% of the retailers have told no.

Interpretation: From the above table it is clear that there was a downfall in the sales of the electrical accessories according to the retailers and the reason being the introduction of the various competitors.

‘Analyzed response of Wholesalers’

W1. Table showing the electrical accessories stocked.

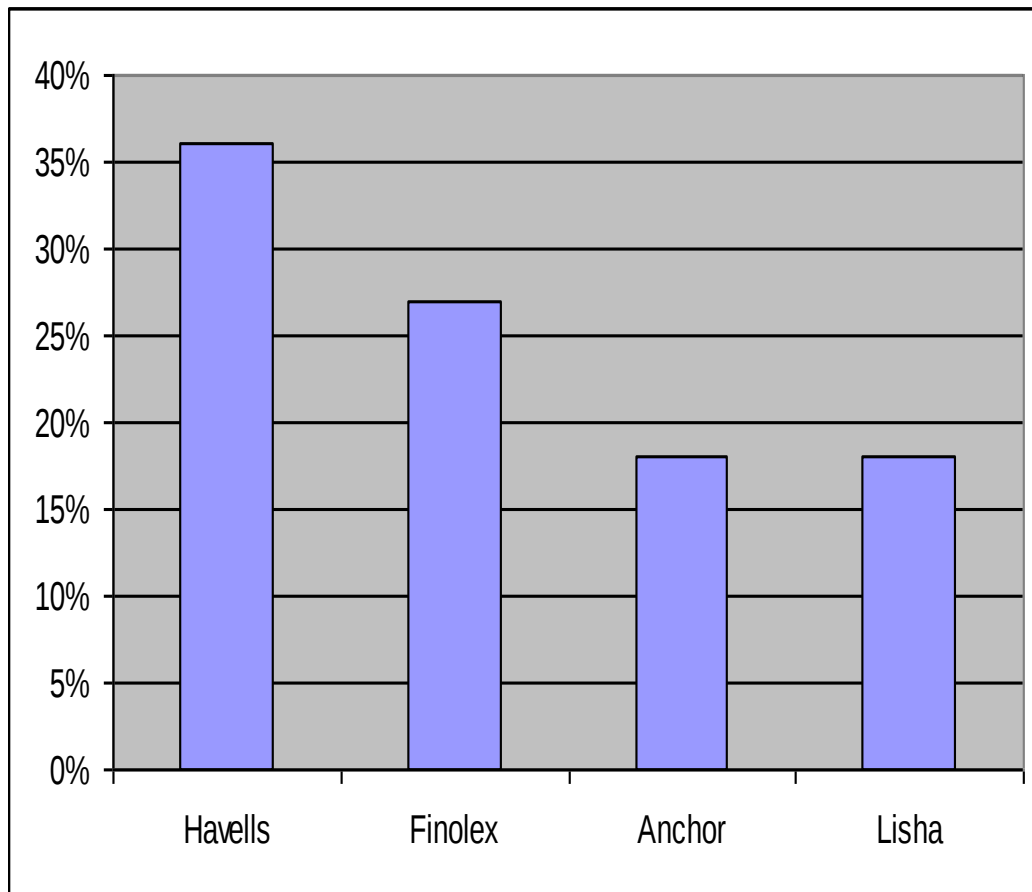
Name of company	Respondents (11)	%
Havells	4	36%
Finolex	3	27%
Anchor	2	18%
Lisha	2	18%

Concept: The purpose of this table is to study the electrical accessories stocked by the wholesalers.

Observation: It is observed that, 36% of the wholesalers stock Havells, Finolex 27%, Anchor 18%, and Lisha 18%.

Interpretation: From the above table it can be inferred that majority of the wholesalers have stocked Havells, followed by Finolex but none of Lisha.

Graph # 5



W2. Table showing whether distributors and wholesalers quote a stable price round the year.

Response	Actual	Percentage
Yes	34	68%

No	7	14%
Unattended	9	18%
Total	50	100%

(Percentage are calculated on the basis of total number of responses)

Concept: The purpose of this table is to study whether the fixed price is got by the retailers round the year.

Observation: It is observed that, 68% of the respondents state that there is no change and a fixed price is followed round the year and 14% of the respondents state that there is a difference in the prices, 18% respondents have unattended the question.

Interpretation: Majority of the respondents have said prices remain fixed round the year.

W3. Table showing the wholesalers percentage of trade margin enjoyed

Table # W3

Brand	Margin
Havells	9%
Finolex	2.5%
Anchor	5%
Lisha	3%

(Percentage are calculated on the basis of total number of responses)

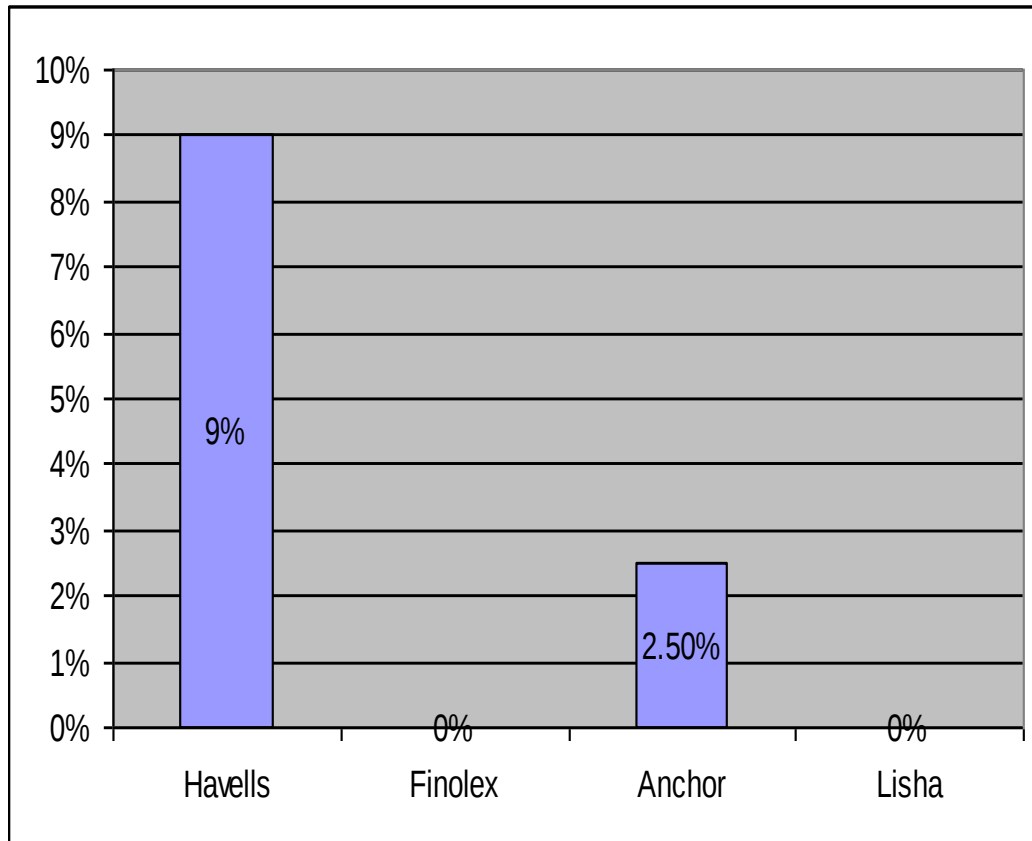
Concept: The purpose of this table is to study the trade margin of wholesalers.

Observation: It is observed that, wholesalers get a margin of 9% to Havells, Finolex with 2.5% Anchor 5%, and Lisha 3%.

Interpretation: Inference is drawn that Havells is highest in wholesaler's margin and Anchor is second.

Graph showing the wholesalers percentage of trade margin enjoyed

Graph # 6



W4. Table showing quality and services as rated by wholesalers

Company	Response	Quality	Services
---------	----------	---------	----------

		Good	Average	Good	Average
Havells	Percentage	36%	Nil	36%	Nil
Finolex	Percentage	27%	Nil	18%	9%
Anchor	Percentage	18%	Nil	18%	Nil
Lisha	Percentage	18%	Nil	9%	9%

Concept: The purpose of this table is to know the quality and services of the company.

Observation: Form the above table it can be seen that 36% of the wholesalers are happy with the service and the quality of the Havells and 26% for Finolex have said good for quality and only 18% for services, followed by rest of the companies.

Interpretation: Form the above table it is clear that the quality and services of Havells, is considered as good, with the quality of Finolex next, and the rest of the companies are partially impressive.

W5. Table showing the company with widest distributor's network

Company	% coverage
---------	------------

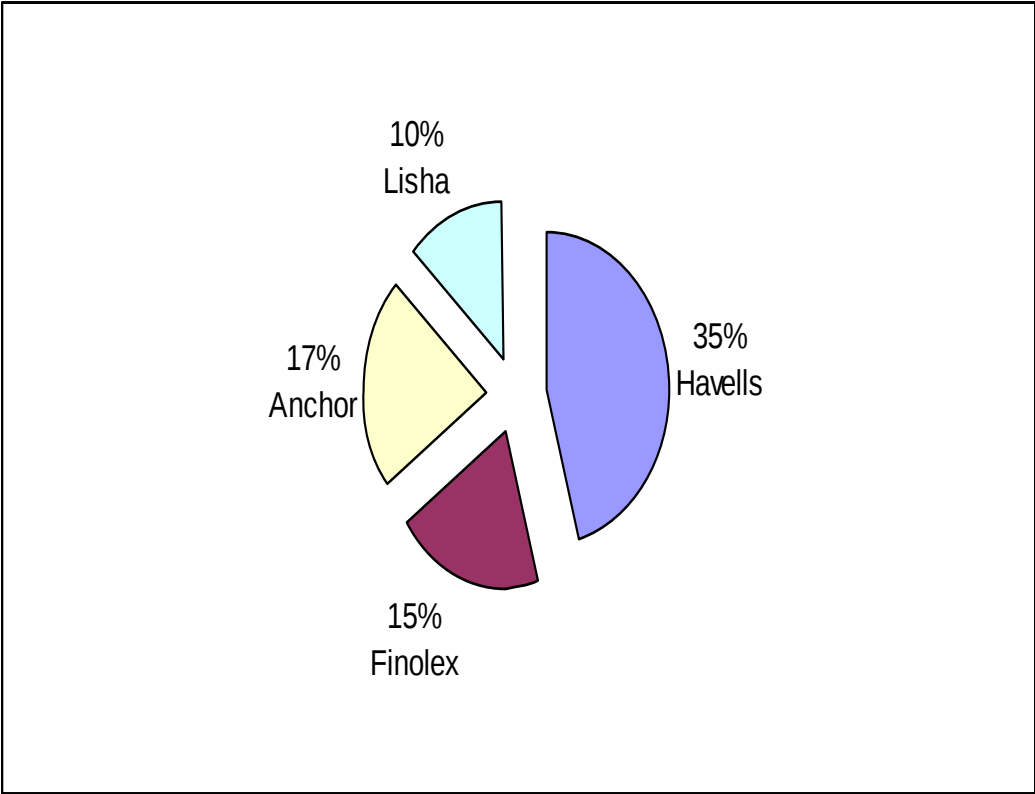
Havells	35%
Finolex	15%
Anchor	17%
Lisha	10%

Concept: The purpose of this table is to show the distributors network of the company.

Observation: From the above table it shows that Havells 35%, Finolex 15%, Anchor 17% and Lisha 15%.

Interpretation: Form the above table it is clear that Havells has got a major coverage, followed by Finolex, Anchor and Lisha.

Graph # 7



W6. Table showing the satisfaction of replacement of defective accessories

Company	Good	Average
Havells	50%	50%
Finolex	40%	60%
Anchor	50%	50%
Lisha	70%	30%

Concept: The purpose of this table is to know the level of satisfaction in the replacement of the defective accessories.

Observation: Form the above table it can be observed that the dealers and wholesalers of Lisha are 70% satisfied, while others are partially satisfied.

Interpretation: Form the above table it is clear that only Lisha Company is found to have an efficient and a satisfied replacement policy.

‘Analyze Response of Companies’

Table # C1

C1. Table showing the price positioning of various companies.

Brand	High	Medium	Low
Havells	1	---	---
Finolex	---	1	---
Anchor	---	1	---
Lisha	---	1	---

(Percentage are calculated on the basis of total number of responses)

Concept: The purpose of this table is to study the brands have positioning their electrical accessories.

Observation: Havells is rated as high while Finolex, Anchor and Lisha are positioned as medium.

Interpretation: Havells is positioned as high quality products; Finolex, Anchor and Lisha are positioned as medium.

C2 Table showing the bench marking brands of different companies

Table # C2

Brand	Bench mark brands
Havells	---
Finolex	---
Anchor	---
Lisha	---

(Percentage are calculated on the basis of total number of responses)

Concept: The purpose of this table is to study the bench marking brands of different brand

Observation: It is observed that, Havells is marked as a bench mark by Finolex, Anchor and Lisha.

C3. Table showing the percentage of ROI given to the dealers

Table# C3

Brand	In percentage
Havells	25%
Finolex	36%
Anchor	33%
Lisha	0%

(Percentage are calculated on the basis of total number of responses)

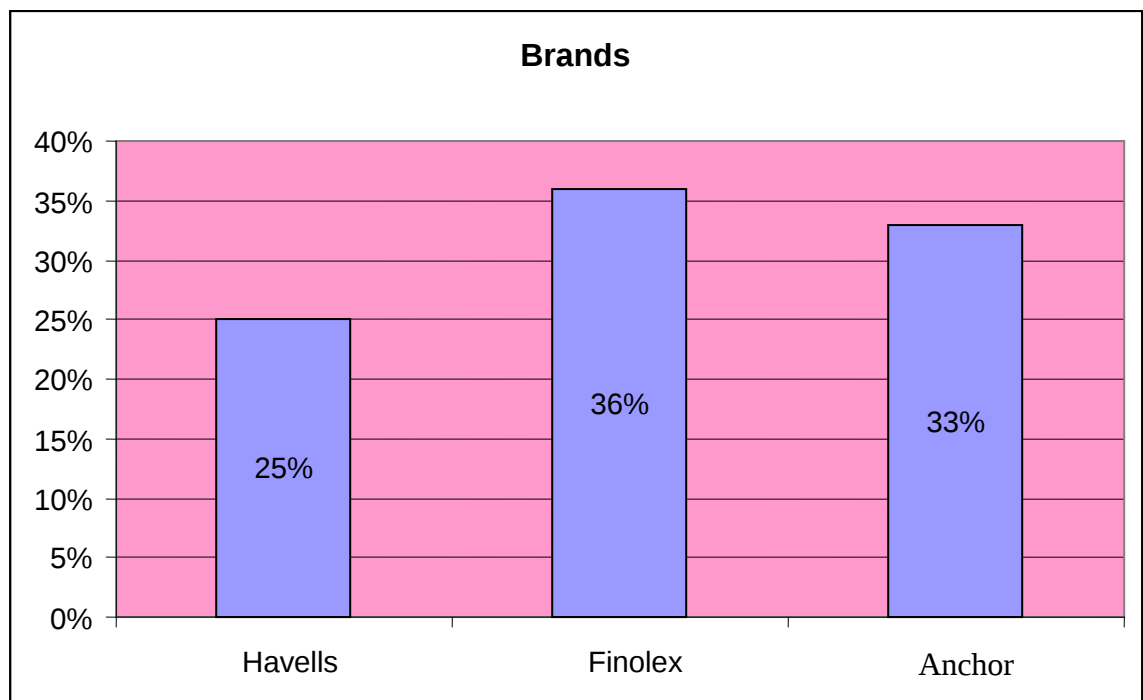
Concept: The purpose of this table is to study the ROI given to dealers.

Observation: It is observed that, distributors of Havells give a margin of 25%, Finolex 36%, Anchor 33%, and Lisha with 0%.

Interpretation: From the observation it can be inferred that Finolex gives a margin of 36% and Lisha a low of 0%.

C3. Graph showing the percentage of ROI given of the dealers

Graph # 8



‘Sales & Distribution Network’

	Havells	Finolex
Distribution strategy	Company-Distributors-Wholesalers-Retailers	Company-Distributors-Retailers
Sales increasing techniques	Good distributors service	Multiplying the no of distributors
Promotional activities	T.V ads, point of purchase (POP) and retailer promotion schemes	Merchandising and retailers meetings
Storing merchandising	Distributors	Company factor, state distributors
Frequency of meeting the dealers	Weekly	Weekly
Dispatch of orders	Same day	Same day
Money realization	14-21 days	21 days
Period of conducting training period	Half yearly	Yearly
Base information used for forecasting	Market trend	Past data and coming season

	Anchor	Lisha
Distribution strategy	Company-Distributors-Wholesalers-Retailers	Company-Distributors-Retailers
Sales increasing techniques	Schemes	Multiplying the no. of distributors
Promotional activities	Stalls and eye checkup camps	T.V. ads news papers ads
Storing merchandising	Distributors	Distributors
Frequency of meeting the dealers	Weekly	Weekly
Dispatch of orders	Same day	Same day
Money realization	14-21 days	21 days
Period of conducting training period	Half yearly	Yearly
Base information used for forecasting	Market trend	Past data and coming season

FINDINGS

Retailers

The primary factor considered while stocking a particular brand is quality. The secondary factor being the price has a wide difference while service comes next to it.

As the retailers say completely satisfied in margin with the brand Havells and almost satisfaction with Anchor and Lisha. While in Finolex there is complete dissatisfaction. More emphasis is laid by retailer's credit period as a suggestion for the company to improve sales.

As the majority of the respondents have said distributors do not control prices where as Anchor and Lisha say distributors control them.

The findings reveal that Havells is got a major reach, which clearly can be understood that they have a wide and better distribution system then others, followed by Lisha.

More emphasis is laid by retailers regarding credit period, and increasing there margin.

Discount on purchase is the highly preferred scheme by retailers, and the retailers feel that Havells is the best product which they feel. They are ready to display the products of the company, provided they are benefited by such displays. They are in need of more advertisements.

WHOLESALEERS

Anchor is considered as absolutely medium, Havells and Finolex are of opinion that they are high-medium and Lisha is medium low.

Majority of the wholesalers have stocked Havells, followed by Finolex but none of Anchor.

The wholesalers feel that Havells has got major coverage, followed by Anchor, Finolex and Lisha.

It can be inferred that a major part of this segment are unaware of the promotion carried by the companies.

As wholesalers practice seasons price discounts fixed prices do not remain round the year.

Most of the wholesalers feel that Havells and Finolex are the value for money products. Many wholesalers are not happy with the advertisements of the companies.

Majority of the wholesalers feel that there has being a down fall in the sales of the electrical products due to large competition. The wholesalers want the dispatch of orders from the dealers as quick as possible.

DISTRIBUTORS

Havells and Finolex are perceived as medium priced. Anchor with medium and Lisha as low.

From the observation, it can be inferred that only a few companies allow distribution to participate in decision-making.

From the observation, it can be inferred that Finolex margin is high and Anchor low.

Dealers of Havells and Finolex completely agree with the schemes which are helpful in promote sales by offers.

From the observation, it can be inferred that Havells, Finolex and Anchor distributors practice seasonal discount. From the observation, majority of the distributors says it will push sales.

Most of the distributors are in need of market information, which the company does not provide in time. The dealers want the orders to be there on time.

COMPANY

Havells and Finolex are positioned as high quality products; Anchor and Lisha are positioned as medium.

Companies have bench marked, Havells as they are on the premium price level.

From the observation , it can be inferred that Finolex gives a high dealer margin and Lisha a low margin.

Anchor follows a different policy for different distributors the other companies follow a similar policy for all distributors.

SUGGESTIONS

SUGGESTIONS:

- Companies have to have a wide coverage of area through proper and efficient distribution network.
- Electrical industry has to improve the retailer margin either by increasing the retailer margin.
- Try to dispatch the orders on the same day if possible within hours.
- Take promotional activities for the distributors in a big way like for a holiday trip, attractive gifts and other activities.
- Credit policy to be made liberal that helps the merchants increase their sales volume.
- More of Television and News paper advertisement required.
- Schemes and pricing policies need to be built along with a few major merchants of these companies so that they are given chance in participating in decision-making and the most helpful schemes can be chalked out.
- Awareness of schemes to be brought in the wholesalers segment.

- Licensing / machining more dealers in different areas for more market coverage and reach to the ultimate customers.
- Dealer relationship reorganization of their task training in sales programs to be made in order to motivate them.
- Maintain a weekly contact with the dealers and know their piled up stock and build a good relationship.
- Product differentiation and brand awareness to be created to distinguish the product among the others in the market.
- The training program conducted yearly should be performed every six months for effective use of sales persons giving them the present market information.
- Should make use of festivals and other seasons for peak sales by offering good schemes for dealers.
- Should start up direct supply to the uncovered areas by the dealers and encourage the retailers to stock up electrical accessories by giving them display rents.
- The launch of new products should be done in a big way, where everyone comes to know about it.

- Participation in fairs, exhibition, and other social activities for the public, will help in building a good reputation and awareness.
- Run free eye check-up camps for children's and senior citizens showing the concern for the society.
- Have tie-up with construction companies and builders for supply of electrical accessories at a discount price.
- Have tie-up with Electrical contractors for supply of electrical products at a discount price.
- The company should try to maintain cordial relationship with the dealers, company should give proper direction regarding the market situation and to tackle their problems very effectively.

CONCLUSION

CONCLUSION:

It can be inferred from the study that Finolex is well known and a household brand name, and has a strong impression in the minds of consumers that it is a product, which has a perfect blend of quality and price. But the retailers are not feasible with the credit policy and the availability of the product, the schemes and retailer margin and the brand image that has been created by Finolex.

Finolex lacks a combination of push effect and pull effect to make their products move in the market. Retailer margin and credit policy will make a push impact on the customer by product differentiation and advertisement will distinguish it from the other products and create a pull effect.

Price has got an impact on the volume of shares but not a primary impact, price makes a secondary impact, and prices of Finolex accessories are positioned correctly as it maintains a margin of 5% with its benchmarking brands.

The distribution system followed by all the companies are more or less similar, I.e. Company – Dealers – Wholesalers – Retailers, which means uniformity in the lighting industry, is maintained.

As redistribution prices are controlled by only a few companies, Finolex has to see that the retailers get his margin. The companies like Havells & Finolex should come up with low priced or margin goods for the lower segment in the market.

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ANNEXURE

QUESTIONNAIRE FOR RETAILERS

Dear Sir,

I am the student of AIMS from Bangalore University currently pursuing MBA (Master in Business Administration), I'm interested in developing a research material in the areas of Sales & Distribution Management. In this regard I request you to kindly spend your valuable time in filling up the Questionnaire.

NAME:

ADDRESS:

CONTACT NO:

1) Which are the electrical accessories you deal with?

- a) Havells
- b) Finolex
- c) Lisha
- d) Anchor
- e) Others.....(please specify)

2) How do you rate these companies on basis of their service?

- | | | | |
|----------------|------------------|---------|------|
| a) Havells | Good | Average | Poor |
| b) Finolex | Good | Average | Poor |
| c) Lisha | Good | Average | Poor |
| d) Anchor | Good | Average | Poor |
| e) Others..... | (please specify) | | |

3) How do you rate these companies on basis of their price?

- | | | | |
|----------------|------------------|---------|------|
| a) Havells | Good | Average | Poor |
| b) Finolex | Good | Average | Poor |
| c) Lisha | Good | Average | Poor |
| d) Anchor | Good | Average | Poor |
| e) Others..... | (please specify) | | |

4) How do you the Quality of these companies?

- a) Havells Good Average Poor
- b) Finolex Good Average Poor
- c) Lisha Good Average Poor
- d) Anchor Good Average Poor
- e) Others.....(please specify)

5) Which according to you is the largest selling electrical accessory?

.....

6) Which according to you is the value for money product?

.....

7) Does the brand name help in your sales?

.....

8) What is the credit period allowed by these companies?

- a) Havells a week a fortnight a month
- b) Finolex a week a fortnight a month
- c) Lisha a week a fortnight a month
- d) Anchor a week a fortnight a month
- e) Others.....(please specify)

9) What is the processing time for the delivery of the order?

- a) Havells a week a fortnight a month
- b) Finolex a week a fortnight a month
- c) Lisha a week a fortnight a month
- d) Anchor a week a fortnight a month
- e) Others.....(please specify)

10) Which company fetch's you a higher ROI? (please specify the reason)

.....

11) Which company according to you has wide network of distribution channel?

.....

12) How frequent is your order level?

a week a fortnight a month

13) Is there any replacement given for defective accessories. How do you rate the response?

- a) Havells Good Average Poor
- b) Finolex Good Average Poor
- c) Lisha Good Average Poor
- d) Anchor Good Average Poor
- e) Others.....(please specify)

14) What in your opinion companies should do to boost sales?

.....

Thank you
(Seal & Signature)

QUESTIONNAIRE FOR WHOLESALERS

Dear Sir,

I am the student of AIMS from Bangalore University currently pursuing MBA (Master in Business Administration), I'm interested in developing a research material in the areas of Sales & Distribution Management. In this regard I request you to kindly spend your valuable time in filling up the Questionnaire.

NAME:

ADDRESS:

CONTACT NO:

1) Which are the electrical accessories you deal with?

- a) Havells
- b) Finolex
- c) Lisha
- d) Anchor
- e) Others.....(please specify)

2) How do you rate this companies on basis of there service?

- | | | | |
|----------------|------------------|---------|------|
| a) Havells | Good | Average | Poor |
| b) Finolex | Good | Average | Poor |
| c) Lisha | Good | Average | Poor |
| d) Anchor | Good | Average | Poor |
| e) Others..... | (please specify) | | |

3) How do you rate these companies on basis of their price?

- | | | | |
|----------------|------------------|---------|------|
| a) Havells | Good | Average | Poor |
| b) Finolex | Good | Average | Poor |
| c) Lisha | Good | Average | Poor |
| d) Anchor | Good | Average | Poor |
| e) Others..... | (please specify) | | |

4) How do you the Quality of these companies?

- a) Havells Good Average Poor
- b) Finolex Good Average Poor
- c) Lisha Good Average Poor
- d) Anchor Good Average Poor
- e) Others.....(please specify)

5) Which according to you is the largest selling electrical accessory?

.....

6) Which according to you is the value for money product?

.....

7) Does the brand name help in your sales?

.....

8) What is the credit period allowed by these companies?

- a) Havells a week a fortnight a month
- b) Finolex a week a fortnight a month
- c) Lisha a week a fortnight a month
- d) Anchor a week a fortnight a month
- e) Others.....(please specify)

9) What is the processing time for the delivery of the order?

- a) Havells a week a fortnight a month
- b) Finolex a week a fortnight a month
- c) Lisha a week a fortnight a month
- d) Anchor a week a fortnight a month
- e) Others.....(please specify)

10) Which company fetch's you a higher ROI? (please specify the reason)

.....

11) Which company according to you has wide network of distribution channel?

.....

12) How frequent is your order level?

a week a fortnight a month

13) Is there any replacement given for defective accessories? How do you rate the response?

a) Havells Good Average Poor

b) Finolex Good Average Poor

c) Lisha Good Average Poor

d) Anchor Good Average Poor

e) Others.....(please specify)

14) What in your opinion companies should do to boost sales?

.....

Thank you
(Seal & Signature)

QUESTIONNAIRE FOR COMPANY DISTRIBUTORS

Dear Sir,

I am the student of AIMS from Bangalore University currently pursuing MBA (Master in Business Administration), I'm interested in developing a research material in the areas of Sales & Distribution Management. In this regard I request you to kindly spend your valuable time in filling up the Questionnaire.

NAME:

ADDRESS:

CONTACT NO:

1) For how long you have been interacting with the company?

- a) < 1 year
- b) 1 – 4 years
- c) > 4 years

2) What made you to take company dealership?

- a) Brand Name
- b) Price
- c) Credit Limit
- d) Others.....(please specify)

3) Mark your satisfaction level with respect to the serving of company?

- a) Excellent
- b) Good
- c) Average
- d) Poor

- 4) Mark your satisfaction level with respect to the quality of company?
- a) Excellent
 - b) Good
 - c) Average
 - d) Poor
- 5) Mark your satisfaction level with respect to the credit limit of company?
- a) Delighted
 - b) Satisfied
 - c) Less Satisfied
 - d) Dissatisfied
- 6) Does the company directly help in the promotional activities?
- a) Yes
 - b) No
- 7) How do you find the advertising of company?
- a) Delighted
 - b) Satisfied
 - c) Less Satisfied
 - d) Dissatisfied
- 8) How frequent is your order?
- a) A week
 - b) A fortnight
 - c) A month
- 9) What suggestions you would like to give to the company to boost sales?

.....

Thank you
(Seal & Signature)

