CHAPTER 6
FINDINGS
AND
SUGGESTIONS
Introduction:

As far as the analysis of the three groups of distributors namely; dealers, wholesalers and retailers of electronic home appliances and the individual group of customers are concerned, the researcher presents the research results for each group separately and then for total market.

6.1.0 The Specific Findings of the Research:

6.1.1 Dealers:

The findings obtained from the analysis of information (Data) regarding the dealers of durable electronic home appliances are as follows:

1. Employees employed by dealers do not have adequate technical background while dealers have sound experience in the field of marketing and distribution. This is a strong point here.

2. Pricing system does not have any uniformity and rationale. Pricing system varies with the manufacturer, dealer or with the syndicate of dealer. This eventually affects the marketing of products.

3. Dealers guess the demand only through the customers and their choices/tastes/needs.

4. Manufacturers choose the dealers by appraising their financial status and this makes the market more monopolistic than competitive.

5. There is complete lack of proper and sound communication between dealers and manufacturers in the whole process of marketing and selling. Manufacturers hardly have proper feedback from ultimate consumers regarding quality, price conditions and sale etc. Eventually this adversely affects the brand and reputation of the product in the long run e.g., Godrej refrigerator.
6. Normally dealers distribute the products directly. However, in large cities where dealers have their branches, they distribute their product through branches.

7. In a large city like Pune, the dealers have the freedom to distribute and sell the similar products of different manufacturers. This implies unfair and unwarranted competition in the market and this affects the manufacturers and dealers too.

8. Dealers cannot estimate the fair market share. When a new product arrives competition becomes severe and unjustified rivalry exists.

9. Because of the present system of pricing and contract between the manufacturers and dealers, dealers pay more attention to selling rather than marketing. Therefore, dealers stand to gain and manufactures make a loss.

10. Dealers on the whole give priority to make more margin of profit on the short-term basis. Very few dealers pay attention to gain more knowledge about the product from the manufacturers as consolidation of their position in the long run.

11. Dealers do not have disciplined or scheduled modes of transporting the equipment to the ultimate consumers and this results in higher prices to be borne by the customers and this becomes a bone of contention between customers and dealers.

6.1.2 Wholesalers:

1-By focusing on wholesalers of the electronic home appliances and its quality of work force, it can be said that the majority of them have background in marketing and distribution and the relation between their profession and their education is quite satisfactory. So it is fair to say that they have requisite knowledge of their trade. This factor is regarded as a great advantage for them.
2. It is also discerned that wholesalers have received necessary training from their respective manufactures and this is a positive aspect.

3. Frankly speaking our finding reveals that range of products handled by wholesalers is strictly limited though they claim otherwise. As a matter of fact range of product is more governed by the various constraints such as financial resources and production technology of the manufacturer.

4. It is evident that wholesalers give full attention to the packing and take proper care so as to protect the products from damages.

5. Demand for any particular product and its market trends proves to be a source of information. Against this backdrop, wholesalers ignore or disregard the real response or feedback of the customers who actually use the product.

6. Only if retailers insist, wholesalers maintain the stocks with requisite variety. Normally they are not keen to maintain stock levels.

7. Wholesalers do not follow any definite rationale in maintaining a pricing system. Each has his own thinking about charging the price to the retailer or a customer as a case may be.

8. Majority of the wholesalers believe blindly that 'Advertisement' is the only reliable medium of pushing the product in the market.

9. Generally, wholesalers ignore Exhibitions or Trade fairs while marketing their product.

10. Normally, wholesalers are in a position to meet the market demand for the product. This implies that adequate inventory levels are maintained by the wholesalers except for its variety.

11. To have effective demand for the products, training is provided by the wholesalers to their employees but not to dealers.
12. On account of continuous competitive atmosphere, each wholesaler knows his competitors' plus and minus points.

13. Surprisingly enough, it is found that computer is not being used by the wholesalers in their marketing effort. In other words, the potential of a computer is not fully realized by the wholesalers in general.

14. By and large, wholesalers do not have their own 'Repair- maintenance' system. They believe in replacing a defective product.

15. In order to boost the sales, wholesalers usually offer financial incentives to retailers in the form of discounts and credit terms.

16. Usually wholesalers maintain personal rapport with the manufacturers for sharing the information of the products.

17. Problems encountered by the wholesalers, precisely are as below:
   a) Expanding market with increasing competition.
   b) Competition does not have any sound basis.
   c) Profitability is decreasing
   d) Manufactures are preferring to keep close rapport with retailers by side-tracking the wholesalers, so as to improve the sales and reduce the costs of the middlemen.

6.1.3 Retailers:

1. Quality of work force of retailers can be classified as following:
   i) Generally people are not selected by academic background.
   ii) Whatever knowledge the employees have, it is in respect of distribution proper.

2. The majority of them prefer a system with volume sale at lower prices.

3. Employees do not get systematic training but it is sporadic and without consistency and continuity. Some of them receive training from the wholesalers while the others receive from manufacturers.
4. Price is a real motivating factor influencing the ultimate consumer. This aspect needs to be considered by both the manufacturers and wholesalers.

5. Really speaking, retailers do not have any voice or choice in distribution management.

6. Majority of retailers adopt the following:
   i) High turnover with low profit margin
   ii) Market information is collected through customers while receiving enquiry, delivering goods or giving service.
   iii) Response to the brand is collected through the customer only.

7. Retailers prefer to sell their appliances through show-room and clearance sales.

8. Retailers’ sale depends upon customers. Marketing and publicity are frequently done by means of personal communication or through friends.

9. The advertisement and mass media have a great impact on customers. Retailers have no claim on the issue.

10. Because of lower turnover, retailers cannot dictate any aspect and major problems in the distribution and selling.

11. Retailers generally indulge in multiple range of products to satisfy customers.

12. To encounter competition, retailers do offer considerable discount terms and credit facilities.

6.1.4 Customers:

1- The electronic home appliances which are frequently used in Pune are TV, refrigerator, radio, tape recorder, V.C.R, washing machine, and to some extent microwave-oven. The distributors do not make any attempt to sell
the whole useful range of products, which they could. They must try to introduce the other products in the range.

2- The majority of customers have purchased their new appliances in last 3 to 5 years and felt the quality is the most important aspect in its eventual replacement.

3- Distributors mostly pay no attention to after-sales services and are not eager to gather information about the performance of the sold goods. Only in case of defective appliances, they try to repair or service such appliances. Many times repeated complaints of customers' go unattended.

4- Customers prefer to opt for cash-discount and very often installment payment system.

5- The most important factor which encourages customers to purchase new appliances is quality and quite often price.

6- The different electronic home appliances with various brands and models are available in Pune market. So customers have option to choose their appliances.

7- The majority of people (citizens) prefer to have their purchase through distributors. So an optimized delivery system is needed here.

8- Show-room can be considered as one of the most influential factors to motivate customers. Therefore they prefer to purchase appliances directly and rather than through internet and catalogues.

9- Customers feel that availability of so many dealers in the market is useful to them for selection of products.

10- The service offered by distributors at the time of sale or after sales is not sufficient. The services more often just cover home delivery.

11- The majority of customers' complaints are focused on the defective appliances which forms a constant trouble.
12- According to them, distributors show no interest in the efficient functioning of appliances sold and their main objective is just to sell their goods. Distributors generally remain indifferent to customers after sales needs.

13- For distributors, the only definition of satisfaction is to sell and deliver their sold products to customer’s home.

14- Customers are generally dissatisfied with the distribution process and services provided for them after sales period.

15- Customers are often informed about appliances existing in market through friends and Mass media (News papers, T.V,..) and them, customer exercise their choice.
6. 2. 0 Generic Findings:

In the following section, we have discussed research findings as they relate to four groups and also five research questions guiding our investigation. In our discussion of each question, we have highlighted the marketing and distribution implications of our results.

1- Distributors have used a combination of field sales people, limited corporate advertising, and product catalogues to promote their services.

2- The function of the field sales force was to call on current and potential accounts to push the services and product lines offered by their firm.

3- The sales people are not technically trained and have no formal technical background. They usually had previous sales experience that involved extensive client contacts.

4- Cooperative advertising and product catalogues were the primary media used by the electronic appliances' distributors and producers. Advertising has just recently become an important promotion tool for the large distributors.

5- No distributors has employed a technical staff to answer the technical questions raised by the customers.

6- Distributors had no regular rapport with manufacturers.

7- Distributors have contracted with manufacturers based on commission on sales.

8- New entrants to this line of business do not bring any new ideas on gaining the market share but selling at competitive price as usual.

9- The electronic appliances distribution comprised a few large national firms in addition to hundreds of small and big dealers and distributors, servicing narrowly recognized markets based on personal business contact with the customers. They rely on a strategy of price-cutting to gain sales volume.
10-Distributors and dealers have had no specific sales policy. And the majority of them follow the routine policy.

11-With regard to the marketing and distribution operation, one of the most important things is the customer's behavior, which unfortunately has been ignored by the distributors, and the total stress is upon the sale only.

12-The policy and strategy of advertising takes place through the producers, which establishes the push strategy and thus introduces the products to the customer through the mass media.

13-As far as condition and the quality of the products and the use of technology are concerned, there is no feedback system between the customers and distributors. Therefore the producer remain unaware of the customers' point of view towards the quality and quantity of products. This is the reason behind the loss of business reputation of famous brands in the market.

14. Keeping in view the variety of electronic home appliances in the market, the extreme competition is over the price, technology and brand name and packaging respectively.

15-Distributors do not provide sufficient services to the customers after and before sale. The majority of them have no organized services and special staff in this area.

16-On the whole, distributors do not adjust their operations according to the customers' needs.

17-Distributors and dealers have no updated marketing information which is required. Thus, they lack the suitable markets information system.
6. 3. 0 Suggestion:

1- The sales people who have technical background and knowledge in particular field of business should be employed.

2- The sales people should be trained with the help of producers, professional managers so suitable training programs should be arranged as a part of system.

3- Weekly or monthly meeting of employees should be organized by the Management.

4- In connection with marketing operation instead of only concentration on sale then should concentrate on promotion of sales.

5- The implementation suggested as follows:
   a- Distributors should create the new understanding that customers are not only to be sold but to be studied for sales.
   b- Participating in trade shows and exhibitions in such business.

6- Dealers and distributors can make use of internet for their marketing.
   a. The purchase will be easy and fast so that customers can compare the products to one another, before approaching dealers.
   b. The customers can select the dealers for different sales terms and range of brands.
   c. This will give equal opportunity for sales irrespective of their location.

7- Dealers and distributors should not lean on the manufacturer’s support. They should have specific policy and strategy themselves. One of the strategies which are suggested here is offensive strategy.

8- The basis of the activities of dealers and distributors should be at the primary strategic level then at tactical level.
The primary activities relate to long term marketing operation while the secondary activities put stress on the short term programs in the market (like, advertising methods.....).

9- They should concentrate on pre-sale and post-sales services rather than merely selling of products.

10- The consumer and management values should be top most in mind of distributors.

11- Distributors should establish the feedback system for their customers through the interview, questionnaire or checklist to enable them to change their services based on this data. It makes them aware of the needs and wants of customers. Even distributors will be able to transfer the information to the producer so as to change or modify the product line or process of production (colour, design, quality,...etc).