MARKETING CHANNELS

This chapter deals with the role of marketing channels in the Physical flow/distribution of vanaspati. The chapter also throws light on the marketing channels used by the selected companies for vanaspati distribution in the states of Punjab and Haryana.

A. Marketing Channels and Physical Distribution

A marketing channel is a way or a pipeline by which product reaches the ultimate consumer/user in the right quantity, at the right place, and at the right time. Every business, big or small, selects the marketing channels to achieve its marketing objectives, which generally are:

- to sell the product to a large number of customers in the right quantities and at the right time; and
- to ensure the convenient availability of the product.¹

Till recently, personnel selling was the main method used by the producers to make the product available, to the customers. But now a days, with the development of commerce, trade and industry and due to severe competition, it has become necessary to establish a suitable, efficient, and economical network of marketing channels to ensure the availability of product at least cost and at maximum convenience. A distribution channel network can have a number of stages and number of middlemen between producers and ultimate consumers.

Following are different marketing channels available to producers:

(i) **A Two tier Channel:**

This is the shortest marketing channel in which producers directly sell their products to the ultimate consumer.

(ii) **A Three Tier Channel:**

This system contains one intermediary like retailer or sales agent or broker. The product goes from producer to the intermediary and from him to the consumer.

(iii) **A Four Tier Channel:**

This system contains two intermediaries. They are wholesalers, retailers or sales agents.

(iv) **A Five tier Channel:**

Under this system, there are three intermediaries. These are; depot owners, dealers and retailers.

Distribution channels are network of economic institutions through which a manufacturer delivers his product into the hands of their users. Marketing channels are bridging-up the gap between the manufacturers and scattered customers. Thus, marketing channels help in the physical distribution of commodities.

**B. Marketing Channels in Vanaspati Business**

Distribution channels play an important role in the distribution/movement of vanaspati. An effective management of distribution channels...
ensures the smooth flow of vanaspati from the place of manufacture to the place of consumption.

For vanaspati manufacturers in India, marketing channels are the core element in the effective planning of their distribution strategies. They are distributing their product through a network of owned and private depots, Clearing and Forwarding Agents (C.F.A.) and a large number of dealers scattered at dispersed places. Some manufacturers are also using cooperative channels along with private channels. There are various ways in which the marketing channels for vanaspati distribution can be classified. These are:

I) Classification based upon Levels: -

Different types of channels based upon the levels of the channels may be classified into three distinct categories. These are:

a) A Single Tier Distribution Channel

It consists of a network of retailers directly served by the companies.

b) A Two Tier Distribution Channel

Under this category two intermediaries between manufacturers and ultimate consumers serve ultimate customers. The intermediaries are distributors (dealers) and retailers. Sometimes dealers are also called wholesalers or stockists.

c) A Three Tier Distribution Channel

Under this system, there are three intermediaries between producers and ultimate users. These are CFA, dealers; and retailers. This is the longest channel for distribution of vanaspati in India.
II) **Sectoral Classification** :-

Beside the above classification, a sectoral classification of distribution channels for vanaspati is also possible. On this basis, the vanaspati distribution channels may be classified into the following categories:

1.) **Direct Trade**:-

Distribution of vanaspati through company's own sales outlet is not practiced in an extensive manner in India. Only a few companies are distributing through their own sales outlets. It is very difficult for the manufacturing companies to establish a wide network of their own sales outlets, which requires large resources and results in huge marketing overheads.

2.) **Co-operative Channel** :-

The cooperative channel plays a vital role in the overall distribution of goods and services in the country but has a limited role in case of vanaspati distribution. Only a few companies, especially co-operative sector organizations are using co-operative channels in the physical distribution of their product. Farmers and consumers for their own benefits mainly form these co-operative channels.

3.) **The Private Channels** :-

The private trade is the major distribution channel in the vanaspati business/distribution. Under the private trade of distribution, three different types of channels may be included i.e. the single tier type, two tier type; and three tier type. Most of the vanaspati manufacturers in India are using two or three tier channels of distribution. But the logic would indicate that single
tier channels should be preferred. It would minimize the cost and give maximum margin to the producer and to the distribution channel and ensure the supply of the product at a lesser price. But, a single tier channel faces some problems, because, it becomes difficult to cover the interior market effectively and deeply as compared to two or three tier channel. Vanaspati is a commodity of common use and is used in every home, so its effective and deep distribution should be ensured to become a market leader. For this purpose, most of the companies are using two and three-tier channel. There is hardly any company, which is using a single tier channel for product distribution.

Two and three tier patterns of channel also have some advantages and disadvantages. The main advantages of the two and three tier pattern are the quicker outflow of stock from the producer's warehouse and an intensive coverage of its market. However, these advantages depend upon the assumption that, sufficient stock holding will be done by the wholesaler/dealers in the two and three-tier channel patterns. The major disadvantages of two/three tier patterns are lower profitability to the dealers, as the margin has to be divided between wholesaler and retailers and a weak control over the outfit by the producer.

A company should choose between different tiers with great care and skill because other decisions regarding physical distribution are based upon this basic decision on channel design. The choice of channels should also ensure greater amount of flexibility between different channels. The choice of channel pattern is influenced by a number of factors like; nature of product, polices of competitors; size of business, size of market covered etc.
C. Channel Members in Private Vanaspati Distribution

i) Dealers in Private Vanaspati Business: -

In the vanaspati business, dealers are an important component of distribution network. It is the dealers who supply the product to the retailers from the depot of the producers.

The role of dealers is, to ensure the regular supply to the retailers and work as messengers to bring complaints of the consumers to the producers. The importance of dealers may be visualised from the fact that an intensive distribution of vanaspati is possible only with the help of dealers as they are supplying the product to a particular locality on a regular basis and with desirable convenience. Thus, it will not be an exaggeration to say that an individual dealer plays a pivotal role in the entire vanaspati distribution network.

(a) Management of Dealers: -

Besides functioning as outlets from where the product flows out, dealers are playing a pivotal role in market penetration, market development, and sales promotion activities. For attaining the goal of market penetration, market development, and sales promotion, the proper and efficient dealer management is important. In India, vanaspati producers depend upon 'dealer's management' for attaining their goals of increased market share and market coverage. At the time of selection of a particular dealer, a large number of qualities and qualifications in the prospective dealer are usually taken into consideration. These are: financial strength, creditworthiness, ability to interact with the rural customers and ability to promote the product.
Out of the applicants, applying for the dealership, the companies select only those, who have the potential to be a dealer. In consumer industries, generally, the companies provide training to the dealers to make them specialists. But in the case of vanaspati trade, there is hardly any such type of training for the development of dealership qualities.

"Effective dealer management" is as much important as selection of dealers. "Dealer management" includes activities like dealer servicing, dealer administration, dealer compensation, dealer motivation, dealer training and development. Vanaspati being a commodity of daily use of every household in India, it is necessary for the company to win the faith of every household, which is possible only by effective dealership qualities and efficient dealer management. Usually, better servicing of dealers, better motivation and training to dealers, better communication with them, and loyalty of a dealer to a particular company is the key to become a market leader. Thus, a company, that is superior in dealer management usually gets a bigger slice of the cake.

(b) Adequacy of Dealer Network: -

In India, there are about 45,000 vanaspati wholesale dealers and a very large number of retailers. Many vanaspati-manufacturing companies have a market area up to 3 to 4 states. Some companies are distributing their products even to more than 60% of the Indian territory. The spatial spread of these dealers is uneven in different states. Most of the vanaspati companies have a large number of dealers in some states. But, in other states the number is small. The strength decreases as the distance from the factory increases. Thus, the outlets are not uniformly scattered over the whole territory but are
clustered in areas where the population density is more. According to my field survey an average retailer has to travel about 30 KM to reach his nearest dealer and every dealer, has to travel at least 60 KM to reach his nearest depot or factory outlet. This distance again varies in different states. Further, in India, vanaspati is produced by about 150 brand names. In Punjab, alone, there are 20 brand names. But a consumer can hardly recall 4-5 brand names. Thus, the distribution pattern is not as effective, so as to make the consumers familiar with the product. There is a need therefore for expansion of dealer outlets especially in the interior and hitherto unrepresented parts of the country/marketing territory. There is also a need for comprehensive channel development programme. Following is an approach, which is recommended to tackle the problem of channel development of vanaspati distribution.

- Substantial increase in the number of wholesale outlets by taking into consideration population and area.
- Protect, the viability of all the outlets.
- Training programme to enhance the dealership qualities.
- Advertisement and publicity of the dealer's outlet, so that the retailer may know about the outlet.
- Periodical dealer conferences.
- Strengthening dealers' network at grass root level.
- Credit facilities and commission/incentives to dealers.
- Compensating the dealers for any fall in the price of the product.
- Special attention for developing outlets in rural areas.
Development of outlets in uncovered areas.

(c) Distribution Margin: -

The vanaspati producers incur huge expenditure on channel margin and channel compensation. According to an estimate (based upon the information collected from some selected companies), it is found that distribution margins are paid to the channel member's form the fourth largest component of vanaspati marketing cost. Distribution margins in case of vanaspati industry consist of contractual minimum margin to CFA, incentive commission, target incentives, and cash rebate given in lieu of credit facilities.

Indian vanaspati industry is totally free in the matter of fixing distribution margin. From time to time, companies conduct dealers' meetings and refix the margins. To maintain the market share, the dealers' targets are revised from time to time. The commission, rebate etc. are also revised accordingly. As already stated, a company can win the market only with the help of the dealers, so a dealers' margin is working as a lubricant to run the marketing channels. There is a competition among different companies in connection with the distribution margins.

(ii) Retailers in Private Vanaspati Distribution: -

Retailers, are the last but not the least important tier in vanaspati distribution chain. They help in bringing the new products to the knowledge of the consumers and providing feedback to the producers. The marketing success and failure of vanaspati companies depend upon the dealers and retailers. In other words, the strength of the dealers and the retailers determines, the strength of the companies.
D. Marketing Channels of Selected Companies

For the producer, it is very difficult to reach personally all the customers. Therefore, most of the products are sold to customers through one or more intermediaries working between producers and consumers. In the case of vanaspati distribution in India, the product travels through a network of intermediaries before it reaches the ultimate consumers. The types of distribution channels adopted by the selected companies are shown in Charts 4.1, 4.2 and 4.3 (Appendix-III).

Thus it is seen that 'Markfed' is using both co-operative and private channels for distribution of its product but the private trade does most of the distribution. In case of 'HVOC', product is distributed through the private trade and some purchase is also made by government institutions. Lastly, 'ABC' is distributing its product through private business and some part of the produce is purchased by the defence department. Thus, it is clear that a major part of distribution in all the selected companies is done through private trade.

I) Hindustan Vegetable Oils Corporation Ltd. (HVOC): -

HVOC is producing vanaspati under the brand names; 'No. 1', 'Ganesh' and 'Champion'. Its marketing territory extends to Punjab, Haryana, Himachal Pradesh, Delhi, Chandigarh, Rajasthan, Madhya Pradesh and Jammu & Kashmir through a network of dealers and depots. Sometimes, they are also supplying their product to West Bengal, Assam, Kerala and Bihar. As already explained, 'HVOC' came into existence by the merger of two sick companies i.e. 'Ganesh Flour Mills Ltd'. and 'Amritsar Oil Works'. At present, 'HVOC' has three vanaspati producing units; one at Amritsar,
(Punjab), one at Kanpur (U.P.); and one at New Delhi. Thus, vanaspati units of HVOC are located at three distant places in the country. These units are able to supply their product to a large territory. 'Ganesh Flour Mill Ltd'. was the first vanaspati factory established in India (Kanpur). That is why, this plant is very old and has been incurring losses continuously. HVOC's vanaspati units are using old technologies and are not able to compete with new units having latest technology and enjoying the privileges granted by central and respective state governments. At present, marketing territory of HVOC is very wide; but market share is very nominal. 'HVOC' vanaspati units do not supply even 1% of the total demand of the country. This company is distributing its product through the following channels.

i) Private trade.

ii) Government agencies or institutional agencies.

iii) Company's own retail outlet.

'HVOC' is distributing a bigger slice of its product through private trade. The corporation has different depots (privately owned) at different places over the country. These depots have been supplying the products to dealers. 'HVOC' is also supplying its product direct to dealers from the factory. But, dealers are not bound to pick-up the product from a particular depot only. These dealers and depots are privately managed, and deposit a particular sum of money as security with the corporation on the basis of a contract. To these depots and dealers, material is supplied on F.O.R. basis. In India, HVOC is having about 20 depots and about 150 dealers. HVOC is also having its own retail outlet in New Delhi at Purani Sabzi Mandi.
'HVOC' has its dealer network in different states as pointed out earlier. But, this network is not satisfactory because of its inability to distribute the product intensively in the interior of the market territory. 'HVOC' has relatively lesser number of depots and dealers. Despite the fact, that HVOC is the oldest factory producing vanaspati in India, most of the consumers do not know the name of 'Ganesh', No.1 and Champion. It means that, the product has not attained popularity. Inefficient and poor depot and dealer management are the causes of its poor performance. From the above analysis, it is clear that marketing channels network of HVOC is very poor and unsatisfactory. There is a need for restructuring of management of dealers and depots network on the modern lines by taking into consideration market potential, area and population.

'HVOC' also supplies its product directly to various government agencies/institutions. These institutions are CSD, ITBP, BSF, CRPF, Maruti Udyog, BHEL etc. These institutions buy the product for their own consumption and not for supplying it further.

II) Markfed Vanaspati and Allied Industries, Khanna (Markfed Vanaspati Unit.): -

Markfed produces vanaspati under the brand name 'SOHNA'. Since, farmers are the producers (being members of cooperatives) and ultimate consumers of 'Sohna vanaspati', the product is channelised through company's own member societies to ensure easy and timely availability of vanaspati at the door steps of the farmers at reasonable cost. The bye-laws of Markfed do not impose any restriction to distribute the vanaspati product through a particular marketing channel only. It means that for channel
selection 'MARKFED', is free to select private trade, own depots, or any other institution to get its product distributed in the interior of the Indian markets. Markfed, usually uses following marketing channels for product distribution:

i) **Institutional Agencies:**

Markfed's membership consists of Punjab government, District Wholesale Co-operative Societies (DWS's); Co-operative Marketing Societies (CMS's); and Co-operative Agricultural Service Societies (CASS); and others. From the personal interview with different officers of MARKFED, it is found that, it is distributing its vanaspati through these members and also through private trade. Despite, being a co-operative sector organization having a large number of co-operative members, major part of its vanaspati, is still distributed by private trade. The government institutions plays a nominal role in the marketing of 'Sohna Vanaspati'. Co-operatives channels distribute the Sohna vanaspati in Punjab only. In other states, private trade performs a major part of vanaspati distribution. MARKFED has its network of depots in different states and union territories like Punjab, Haryana, Delhi, Chandigarh, Rajasthan and Uttar Pradesh. But, most of the depots of Markfed are concentrated in Punjab. Out of 20 (including 5 CFA ) depots, 9 depots (including 5 CFA) are in Punjab, 2 depots in Haryana, one depot in Chandigarh, one depot in Delhi, 2 depots in Rajasthan, 2 depots in H.P. and one depot in Uttar Pradesh. The product of Markfed i.e. 'Sohna vanaspati' reaches its consumers after passing through these depots. Some times the product is even sold beyond these territories. Usually, outside Punjab, product is distributed through a network of dealers who pick up the
products from the nearest depot. Markfed, at present has about 20 depots and 250 registered dealers, all over the country distributing its product to around 170 stations. 'Markfed' conducts meetings of its dealers and decisions are taken to enhance the sale of vanaspati and other products.

(ii) Private Trade: -

Markfed has ten depots and 150 dealers in Punjab. Punjab is the major market for 'Sohna' vanaspati. In Punjab, Sohna vanaspati is distributed through both co-operative and private trade. Similarly, in Haryana about 35 dealers serve about 30 stations. In the union territory of Chandigarh, Markfed has 5 dealers, distributing the product to the whole of union territory. Markfed has its network of marketing channels over 9 states of India.

Markfed generally keeps the security of its dealers and depot holders (i.e. C.F.A) ranging from Rs. 10,000 to Rs. 60,000. Product to these dealers and C.F.A are supplied on F.O.R basis. Usually these societies prefer to pick the products directly from factory, because, by doing this, they get more margin. Markfed also provides a number of facilities like cash credit, subsidies, and incentive rebates to its member societies and dealers on the basis of their performance.

(iii) Markfed Farmer's Service Centers: -

In addition to above-mentioned channels, MARKFED has also established its Farmer Service Centers (MFSC) at different places. These MFSCs are also playing an important role in the distribution of 'Sohna' vanaspati to farmers and members. These centers have been established for the purpose of providing different services to farmers like supply of
agricultural instruments, seeds, fertilizers, and pesticides and credit facilities to farmers on no profit no loss basis.

(III) Amrit Banaspati Company Ltd.: -

Amrit Banaspati Company Ltd. (ABC) is manufacturing vanaspati under the brand name "Gaggan" and "Amrit". Out of these products "Amrit" is used for the preparation of bakery products' and 'gagan' is used as cooking medium for food. ABC is ranked as the second (some time third) largest producer and distributor of vanaspati after Sri Ram Foods and Fertilizers Ltd. The marketing territory of ABC is very wide and consists of the states of Punjab, Haryana, Himachal Pradesh, Rajasthan, Utter Pradesh, Delhi, Union territory of Chandigarh, Jammu and Kashmir, West Bengal, Assam, Gujarat etc. Basically, ABC is using two types of channels for distributing its product i.e through private trade; and Institutional Agencies.

(i) Private Trade: -

Private trade plays a dominant role in the product distribution of ABC. The company (ABC) has a well-knit group of depots and CFA network all over the country. The employees of the company run these depots. The company is enjoying the privilege of exercising full control over these depots. Beside these depots, the product is also distributed through CFAs i.e. clearing and forwarding agents on commission basis. These depots and CFAs are working as intermediaries between the company and dealers. Usually, dealers pick-up the product from these depots and CFAs. and pass it to the retailers who sell the product to ultimate consumers. The marketing territory of ABC has extended over 15 states of India. ABC Rajpura has around 26 depots (including CFAs) supplying its product to about 610
registered dealers, covering more than half of the Indian territory. In Punjab, ABC has 7 (seven) depots supplying products to about 210 dealers having a coverage of about 150 stations. In Chandigarh (U.T) the ABC has one depot, supplying its product to 5 dealers. The company is also supplying directly from the factory premises to the local dealers of Punjab and Haryana.

ABC, has deployed about 200 persons for the distribution and sales promotion of 'gagan vanaspati' all over India including 45 persons working in the factory premises. As a whole, ABC covers about 500 stations (demand centers) over the country. ABC appoints dealers/stockiest at strategic points by taking into account the potential in the interior market through its network of dealers. In Haryana ABC has a network of four depots and about 95 dealers as on 31st March 1995. The company also considers the selection, appointment, and motivation and performance evaluation of dealers as an important functional aspect. Usually ABC make a regular and periodical evaluation of dealers' performance and establishes new targets for them from time to time. From time to time, it launches different schemes for the motivation of dealers for enhancing their sale.

(ii) **Institutional Agencies**:

Beside the private trade some institutional agencies are also helping in the distribution of ABC vanaspati. These agencies are C.S.D, Paramilitary Forces etc.

In nutshell, it may be said that ABC's distribution channels are functioning very efficiently. It has a well managed and well knit network of dealers and depots. However, there is a considerable scope for improvement.
The company should make efforts for penetration into new markets and to improve existing market position by intensifying distribution network.

E. Relationship of Selected Companies with their Channel Members

Beside having a strong and effective network of dealers, a good relationship of the company with their channel members is also very important for the marketing success of a company. The loyalty of the channel members to the particular company is the key for marketing success and can only be achieved by better training, motivation; and communication with the channel members. The relationship between selected companies and their channel members can better be understood from the following points:

(1) Selection and Appointment of Dealers by the Selected Companies :-

Selection and appointment of dealers is of utmost importance in the vanaspati business because the dealers determine the success of a particular company. An efficient dealer's network proves to be an invaluable gift to any company. Normally, dealers are appointed in the private trade, which plays a very significant role in the process of vanaspati distribution in India. Cooperative channels are pre-established by the concerned state government and the companies only have to accept the system.

The companies selected under present study i.e. HVOC, MARKFED and ABC are making selection and appointment of their dealers with great care and skill, because from experience they realized that proper selection of dealers is an important task which strengthens the dealership network for effective and efficient distribution of vanaspati.
For appointing a dealer, these companies invite applications through advertisement in newspapers or in any other advertising media. After having received applications, these applications (on a prescribed performa) are scrutinized by the selection committee by keeping in mind the following factors:

(i) Financial strength and credit worthiness of applicant.

(ii) Location of shop

(iii) Storage capacity of the godown

(iv) Experience of dealer in the distribution of consumer products.

(v) Availability of telephone and other communication facilities.

(vi) Influence of dealer in the market.

(vii) Population coverage

(viii) Goodwill enjoyed by the dealer; and

(ix) Other desirable qualities; such as

(a) He should have good communication skill and good habits

(b) He should be preferably a graduate in commerce

(c) He should be risk averser/taker

(d) He should be an honest man.

(e) He should have the ability to deal with every type of man.

(f) He should have motive of social service with the profit motive.

(g) He should have ability to diversify his activities into more service-oriented lines.
After making the analysis of the applications and the personal interview, appointments are given to suitable persons.

(2) Dealer Motivation: -

The companies selected under the present study are motivating their dealers by making performance appraisal during various meetings, seminars, and conferences with dealers. From time to time, officers of the companies visit the depots and dealers to check their performance. The company usually offers different schemes to the dealers who show better performance in the distribution process. For example, MARKFED, and ABC usually conduct periodical meetings and conferences with their dealers and encourage them by issuing merit certificates and other prizes. MARKFED also issues dealer's merit cards, honour card and cash prizes to those dealers who make a record sales. Similarly, ABC also has performance appraisal of their dealers and honour them from time to time in dealer's conferences. HVOC is the worst performer and produces a very low quantity, which is sold easily without deploying any effort. In its case, the question of motivation does not arise.

(3) Training and Development of Dealers: -

In vanaspati industry, there is no institute for the training and development of dealers. No efforts have been made by the vanaspati industry in connection with training and development of dealers. In present days of increasing competition, there is a need for the training and development of dealership qualities.
Vanaspati companies offer the margin to their dealers on total sales basis. The margin is given at different rates at different levels of sales. The margin is reviewed and revised from time to time by the top management according to the changed market conditions. Some companies also extend "fall clause" to their dealers in specific locality in case of spot decrease in prices of vanaspati. 'Fall Clause' is a provision for compensating dealers in case of fall in the prices of vanaspati due to unforeseen contingencies. In this case, the company permits the dealers of a particular locality to sell the product at a reduced price: and the dealer, are given compensation for such fall in prices. Vanaspati companies are also providing facilities of credit sales, rebates and target commission to dealers who have achieved their target sale. Different rates of commission are offered to the dealers at different slabs of sales.

Thus, distribution channels are playing a dominant role in transfer of the product from manufacturer's place to the distant consumers scattered all over the country in the right quality, at the right place and at the right time.

From the above analysis, it is clear that more or less, all the selected companies are using similar channels for distributing their products in the market irrespective of their nature (i.e. public sector, co-operative sector, and private sector). Even in case of co-operative sector organization, a major part of its product is distributed through private channels/trade. Private channels are normally preferred in the vanaspati business due to various reasons such as: resources for setting up channel's network, type of the product, nature of product, type of market, competitor's marketing channels, reach of channels.
in the market place, level of services offered etc. Markfed, a co-operative sector organization, is also using a network of private distributors i.e. dealers despite having a well knit network of CASS, CMS, MFSC and DWS's in the state of Punjab. On the other hand, HVOC and ABC are enjoying the services of private trade/channels only. All the selected companies are also supplying their products to the government institutions. HVOC and Markfed also have their own retail outlets for local sale. It has been found that the establishment of entirely owned and managed net-work of marketing channels by any company requires considerable resources, and results in huge amount of marketing overhead.

Of all the marketing channels, private trade enjoys a predominant place and is growing at a faster rate in the vanaspati business. The private trade/channel network covers almost the whole of the country in the vanaspati distribution. Private channels are preferred due to the fact that, they are enjoying greater freedom in the matter of management and administration.

Whatever be the channel, the individual dealer/retailer is considered to be the pivotal in the entire vanaspati distribution chain. All the companies selected under the present study, mainly depend upon their dealers for achieving their objectives of increased market coverage and thus take great care in the process of selection and appointment of dealers. Effective management of marketing channel is the basic need for a successful distribution system. It includes dealer servicing, dealer's compensation and dealer motivation. Dealers may be motivated by offering them proper margins on sale, rebate, discounts and credit facilities. The dealers training
programmes may also be an important motivational factor, which is almost ignored by all the companies. All these factors may prove helpful for the company's effective management of marketing channels.

The analysis shows that there is a great need for the expansion of distribution channels, especially in public and co-operative sector companies. It is also seen that there is a considerable scope for improvement in marketing channels of private sector companies as well.