

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
IV TRIMESTER (Batch 2021-23)
END TERM EXAMINATION, NOVEMBER 2022

Course Name	Distribution and Channel Management	Course Code	MKT 20122
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS: Attempt all of the following questions.

- The dramatic growth in online sales in recent years has led many pundits to predict that mail order channels driven by paper catalogs would virtually disappear. But this has not happened. By the close of the first decade of the Twenty-First Century, over 17 billion catalogs were mailed to U.S. homes, which helped to produce over \$700 billion in sales via this “old fashioned” channel of distribution.

Why do you think such vast numbers of paper catalogs are still printed and mailed and such high levels of sales are still generated in mail order channels? **Discuss** in detail; and also **propose** your views about the growth of Mobile Commerce via smart phones. **(10 marks)**
- In today’s fast paced world; big retail stores like Wal-Mart, Sears etc. are still able to grow their business; especially with the help of technology. In this context ; **Discuss** the channel management implications of such technological developments as a)Electronic scanners, b) High- tech point –of-sale displays, c) Computerized inventory management systems, d) EDI, e) RFID and f) Cloud Computing. **(10 marks)**
- Giant pharmaceutical manufacturers such as Merck & Company and Pfizer have traditionally relied heavily on the doctor-to-patient channel to promote their products. In essence, this channel structure focuses attention on reaching doctors through extensive use of the drug-maker’s outside salespeople, often referred to as “detailers,” who call on medical professionals with plenty of free samples and other incentives such as expensive gifts, office supplies, and offers of free stays at plush resorts. But more powerful and knowledgeable buyers, especially the large hospitals and health maintenance organizations that are increasingly using MBAs rather than MDs to make decisions about what drug products they buy or prescribe, are threatening this channel. One industry observer, summing up the

change, remarked that "schmoozing between salesman and doctor is being replaced by hard data and analysis presented to buying committees."

Propose that how might such changes in buyer behavior affect the channel design decisions of the major pharmaceutical producers? **Discuss** in terms of the relevant stages of the channel design paradigm. (10 marks)

4. Procter & Gamble has become so concerned about the proliferation of private-label products that it has taken the extraordinary step of suing one of its own channel members that sells private labels as well as large volumes of P&G products. The firm in question, F&M Distributors Inc., operates over 100 drug stores. P&G claims that F&M's private-label merchandise is designed and packaged to look almost identical to famous brand P&G products, such as Pantene Pro-V, Head & Shoulders, Secret, Sure and Noxema. P&G not only wants F&M to discontinue the sale of such copycat, private-label products, but seeks damages as well. P&G had initiated similar suits before against private-label imitators, but the targets of those lawsuits had been manufacturers of private-label merchandise rather than distributors of P&G products. Industry observers think P&G is taking quite a risk in suing its own channel members because they are unlikely to be enthusiastic sellers of P&G products after being sued by P&G. What seems to be going on here in terms of private versus national brand competition and the role of independent distributors?

Do you believe P&G is acting wisely in suing one of its own channel members? **Elaborate** why or why not. (10 marks).