

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2017-19)
END TERM EXAMINATIONS, DECEMBER 2018

Course Name	Distribution Channel Management	Course Code	MKT 510
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

- It is not an open book exam
- Be precise and clear in your response.
- Attempt any four questions which carry 10 marks each.
- **Q No 6 has to be done on the extra sheet attached with the question paper. Rough calculation, if any may be done on Answer Book.**
- **The question attempted may be put a cross(x) and the question paper attached with the answer book.**

1. (a) How would a channel manager know which power bases are available?

(b) Wal-Mart announced to all manufacturers whose products it sells that they must adhere to Wal-Mart's new "green" environmental initiative. The manufacturers must estimate and disclose the environmental costs of producing their products and allow Wal-Mart to use that information to develop a 'green' rating system that will be disclosed to consumers on product labels. The cost of the 'green' program will be borne entirely by Wal-Mart suppliers. If they do not do so, such suppliers will likely to be dropped by the giant retailer.

What power base(s) appear to be in play in the situation? What do you think Wal-Mart is trying to accomplish here by exercising it?

2. A consumer packaged goods manufacturer used special deals and merchandising campaigns as the mainstay of their channel management strategy for dealing with channel members. Special discounts, allowances, slotting fees, coupons, payment for displays and similar tactics were used abundantly to get retailers and wholesalers to push its products. These efforts required higher costs for special packaging and handling, created 'peaks and valleys' in production and increased the promotional costs. Moreover, from the consumer's point of view, the ups and downs in prices, when one week a packet of detergent powder might sell for INR 250 and the next week for INR 300, fosters price sensitivity and erodes brand loyalty. In a fundamental break with this status quo approach to channel management, the manufacturer offered its products to channel members at lower prices on an everyday and sustained basis. The manufacturer believed this would reduce its own costs and enable channel members to pass on lower prices to consumers, also on everyday basis.

What do you think of manufacturer's channel strategy? What are its possible strengths and weaknesses? Discuss from the standpoints of the manufacturer and channel members.

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3. ATMs and online banking were thought to provide valuable alternate channels that customer would need and would reduce or replace the human "tellers" in traditional bank branches and also reduce the number of branches of a bank. But between 2007 and 2017, the number of bank branches grew from 70,000 to 90,000, an increase of about 30%. The number of bank staff also increased in roughly the same proportion during this decade. This happened despite the fact that the number of banking firms actually decreased dramatically during that same period.

What do you think is going on here? Why do you think so many consumers still demand "old fashioned" bank branches and tellers in spite of new technological alternatives? Discuss.

4. As part of interaction, your junior class students have asked you for help in developing the standards for evaluating the performance of channel member. You have decided to cover these in 1 session of 75-minute duration. Prepare your lecture plan including contents with time schedule.
5. What are the six basic distribution decisions most firms will need to consider while designing the channel? Pick a firm and describe how it has been carried out there.
6. Comment upon the three situation from manufacturer's viewpoint. What should manufacturer do in the third situation to strengthen cooperation from the dealer?

I.NO TRADE PROMOTION			II.TRADE PROMOTION			III.PROMOTION + DEALER AD		
Month	No of units	Profit per unit	Month	No of units	Profit per unit	Month	No of units	Profit per unit
Jan	10	10	Jan	10	10	Jan	10	10
Feb	10	10	Feb	20	05	Feb	50	05
Mar	10	10	Mar	0	10	Mar	10	10