Study of Retailer's Satisfaction towards Distribution Channel of Amul Products in Jammu

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ABSTRACT

The research paper entitled "Study of retailer's satisfaction towards distribution channel of AMUL products in Jammu" has been conducted in Jammu in which the retailers and distributors were selected at different places in Jammu city through convenience sampling. The information from various retail shops and distributors were collected with the help of well structured pre-tested schedule and the data was analyzed by using descriptive statistics, pie charts, per centages. In this study two distribution channels of AMUL products in Jammu were identified viz. (I) Company → C/F → Distributer → Retailer → Consumer and (II) Company → C/F → AMUL retail outlet → Consumer.

Keywords: Organized and unorganized market, distribution channels, retailers, distributors

Dairy is a place where handling of milk and milk products is done and technology refers to the application of scientific knowledge for practical purposes. Dairy technology has been defined as that branch of dairy sciences, which deals with the processing of milk and the manufacture of milk products on an industrial scale. The perishable nature of raw milk makes its marketing crucial for the small scale milk producers. Like other developing countries, in India too there are organized and unorganized sectors for the marketing of milk and dairy products. In the unorganized sector, there are two main agencies- the milk vendors and the halwais- who collect milk from cattle breeders and supply it to the customers at their doorstep. The organized sector comprises dairy cooperatives and organized modern-style private dairies. Generally in this sector the large dairy units use advanced technology and produce standardized products. They collect milk from their collection depots and transport it to their milk plants for processing and manufacturing. In present world, the art of marketing is more important than the art of production. Production is often considered as the more important function. However this practice is gradually losing ground and it is being recognized that "unless you can sell a product, you should not manufacture it". Marketing, the process by which a product or services originates and is priced, promoted and distributed to consumers, begins with production ends, and ends when consumption begins. After determining the consumer needs and desires, marketers develop strategies to educate customers about a product's most important features, persuading them to buy it, and then to enhance their satisfaction with the purchase. The leading players in processed milk products in the market are as follows: AMUL, Britannia, and others include Vijaya, Verka, Vadilal, Nestle, Dynamix Dairy, surya, Sterling Agro, Haryana Milk foods, Heritage, Prabhat Dairy, and Tirumala etc.

India is world's largest milk producer, accounting for more than 16 per cent of world's total milk production and is the world's largest consumer of dairy products. The total amount of milk produced has tripled from 23 million tonnes back in 1973 to 95 million tonnes in 2008 and expected a production level of 135 million tonnes by 2015 but the projected demand for milk by 2021-22 estimated at 180 million tonnes which implies that milk production would have to be doubled. Milk production is growing at growth rate 3.3 per cent while consumption is growing at 5 per cent leaving a gap between demand and supply. In order to meet the rapid growing demand and to increase the milk production, Union Govt. has started a central scheme as National Dairy Plan-Phase -1, for a period of 2011-12 to 2016-17. This scheme is implemented with the total investment of about 2242 crore. The main objective of this scheme is to help provide rural milk producers with greater access to the organized milk – processing sector and thus to bridge the gap between demand and supply of milk in the country.

MATERIALS AND METHODS

The present study applied tabular and graphical representation of the collected data for interpretation and drawing meaningful conclusions.

Percentage analysis

Percentage refers to a special kind of ratio. It is used to make comparison between two or more series of data. They can be used to compare the relative items, the distribution of two or more series of data, since the percentage reduces everything to a common base and there by allow meaningful comparisons to be made. In the present study the percentage analyses helped to check the need and importance of advertisement on consumer behavior.

Percentage = $(x/y) \times (100/1)$

Where x = number of respondents respond

y = total number of respondents

The data has been collected through the survey using questionnaires as the measurement tool. The sample size for the study was taken as 75 (i.e. 50 retailers and 25 distributors).

RESULTS AND DISCUSSION

Table 1: Sources supplying AMUL products

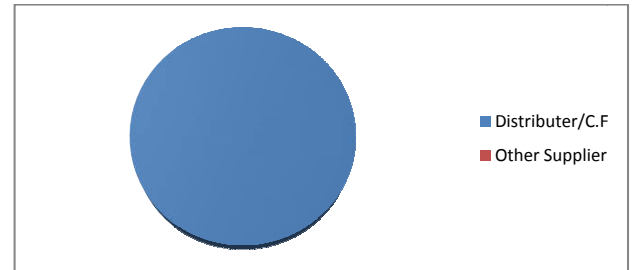| Sl. No.	Options	No of respondents	Percentage of respondents
1	Distributor/c.f	50	100
2	Other suppliers	0	0
	Total	50	100

Fig. 1: Sources supplying AMUL products

Table 1 (Fig. 1) revealed that 100 per cent retailers were getting the AMUL products from the distributor. There is no retailer who was getting the AMUL products from the other sources, so it is cleared from the table that the distributors and C&F were the main suppliers of AMUL products. Also during the study, we identified two distribution channels followed by AMUL in Jammu.

❍ Company→C/F → Distributer → Retailer → Consumer and

❍ Company → C/F → AMUL retail outlet → Consumer

Table 2: Duration of association with the company

Sl. No.	Options	No. of respondents	Percentage of respondents
1	1 yr or less	5	10
2	1 to 3 yr	12	24
3	3 to 5 yr	15	30
4	More than 5 yrs	18	36
	Total	50	100

The table 2 table (Fig. 2) revealed that 36 per cent of the retailers were selling the products from more than 5 years, followed by 3 to 5 years which was 30 per cent, 1 to 3 years which was 24 per cent and 1

year or less which was 10 per cent, so the table clearly showed that majority of the retailers were associated with AMUL from more than five years.
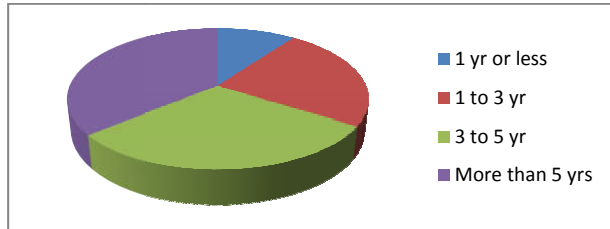

Fig. 2: Duration of association with the company

Table 3: Range of products kept by retailers

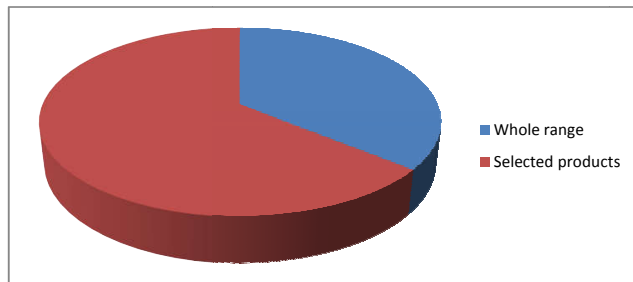| Sl. No.	Options	No. of respondents	Percentage of respondents
1	Whole range	18	36
2	Selected products	32	64
	Total	50	100

Fig. 3: Range of products kept by retailers

The Table 3 (Fig. 3) stated that 36 per cent retailers were selling the whole range of AMUL products. On the other hand, 64 per cent of retailers were selling the selected products of AMUL Company. So, the table clearly showed that majority of the retailers was which selling the selected range of products of the AMUL in the market.

Table 4: Coverage of Distributor Dealer Network

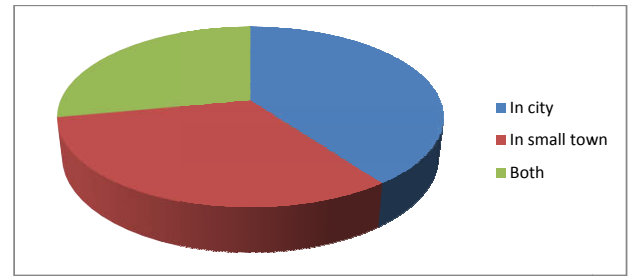| Sl. No.	Option	No. of respondents	Percentage of respondents
1	In city	10	40
2	In small town	8	32
3	Both	7	28
	Total	25	100

Fig. 4: Coverage of Distributor Dealer Network

The Table 4 (Fig. 4) stated that 40 per cent of distributors had their dealer network in city, followed by 32 per cent in small town and rest 28 per cent distributors had their dealer network in both city and small towns. Hence, it was clear that the majority of the retailers had dealer network in city area, which is 40 per cent while 32 per cent were those, who had wider network in small town and few (7 per cent) had their dealer network in both areas which include city as well as small towns.

Table 5: Time taken for delivery of products after ordering

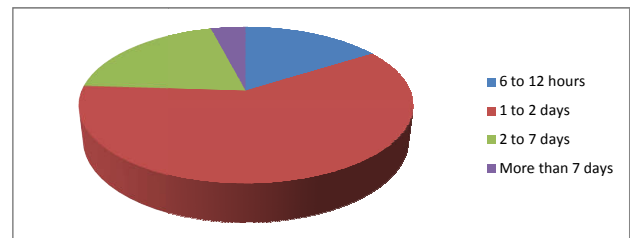| Sl. No.	Option	No. of respondents	Percentage of respondents
1	6 to 12 hours	8	16
2	1 to 2 days	30	60
3	2 to 7 days	10	20
4	More than 7 days	2	4
	Total	50	100

Fig. 5: Time taken for delivery of products after ordering

The Table 5 (Fig. 5) showed that 60 per cent of retailers were getting the delivery after 1 to 2 days of ordering whereas 20 per cent of the retailers were receiving their order after 2-7 days. Only 4 per cent of the retailers were receiving their order after more than 7 days.

Table 6: Retailer's satisfaction level towards distributor's services

Sl. No.	Option	No. of respondents	Percentage of respondents
1	Yes	50	100
2	No	0	0
	Total	50	100
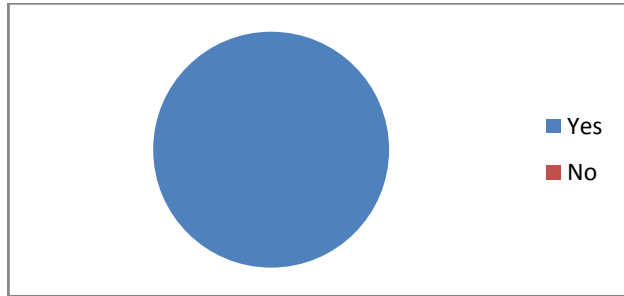
Fig. 6: Retailer's satisfaction level towards distributor's services

The Table 6 (Fig. 6) revealed that 100 per cent retailers were satisfied with the distribution channel of AMUL product. There was no retailer who was dissatisfied with the distribution channel.

CONCLUSION

In this study two distribution channels of AMUL products in Jammu were identified viz.(I) Company → C/F → Distributer → Retailer → Consumer and (II) Company → C/F → AMUL retail outlet → Consumer. 40 per cent of distributors said that they had their dealer network in city followed by 32 per cent in small town and rest 28 per cent distributors said that they had their dealer network in both city and small towns. It had been concluded that majority of the retailers are selling the selected range of products. Majority of the retailers were having the association with AMUL for more the 5 years. The average delivery time of AMUL products to the retailers was 1-2 days. All the retailers were satisfied with the distribution services of AMUL.

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