

A STUDY ON EFFECTIVENESS OF SALES AND DISTRIBUTION CHANNEL OF TATA MOTORS LIMITED

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ABSTRACT

A **sale** is the pinnacle activity involved in selling products or services in return for money or other compensation. It is an act of completion of a commercial activity.

A sale is completed by the seller or the provider of the goods or services to an acquisition or appropriation or request followed by the passing of title (property or ownership) in the item and the application and due settlement of a price, the obligation for which arises due to the seller's requirement to pass ownership, being a price

A **service** is the intangible equivalent of a good. Service provision is often an economic activity where the buyer does not generally, except by exclusive contract, obtain exclusive ownership of the thing purchased. The benefits of such a service, if priced, are held to be self-evident in the buyer's willingness to pay for it. Public services are those society pays for as a whole through taxes and other means.

By composing and orchestrating the appropriate level of resources, skill, ingenuity, and experience for effecting specific benefits for service consumers, service providers participate in an economy without the restrictions of carrying stock (inventory) or the need to concern themselves with bulky raw materials.

Key words:

Advertising effectiveness, Advertisement,
Automobile Industry Advertising

1. INTRODUCTION

Distribution (business)

Physical distribution (or place) is one of the four elements of the marketing mix. An organization or set of organizations (go-betweens) involved in the process of making a product or service available for use or consumption by a consumer or business user. The other three parts of the marketing mix are product, pricing, and promotion.

The distribution channel

Chain of intermediaries, each passing the product down the chain to the next organization, before it finally reaches the consumer or end-user.... This process is known as the 'distribution chain' or the 'channel.' Each of the elements in these chains will have their own specific needs, which the producer must take into account, along with those of the all-important end-user.

Channels

A number of alternate 'channels' of distribution may be available:

Manufacturer → Distributor → Retailer → Customer

Manufacturer who manufacturer products

Distributor who sells products to retailers

Retailer (also called dealer or reseller), who sells products to end customers

Customer who buy product form retailer
Advertisement typically used for consumption goods. Distribution channels may not be restricted to physical products alone.

They may be just as important for moving a service from producer to consumer in certain sectors, since

both direct and indirect channels may be used. Hotels, for example, may sell their services (typically rooms) directly or through travel agents, tour operators, airlines, tourist boards, centralized reservation systems, etc.

There have also been some innovations in the distribution of services.

2. REVIEW OF LITERATURE

Philip Kotler is an American marketing author, consultant, and professor emeritus; the S. C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management at North-western University.

The present day Indian economy is viewed a highly competitive and market oriented. At this state the success of any organization is totally depends on customer and his satisfaction only. So, every business organization should see that the customer “as sovereign of the market” who decides the fate of it. Hence, it is the responsibility of any concern to meet the requirements of customers from time-to-time with greater dynamism.

Customer satisfaction is totally intangible and its management is very crucial aspect on the part of the business entrepreneurs. Making such an intangible property in to tangible is great challenge among the various organizations. This depends on customer orientation, customer dynamism, tapping new avenues by the business unit, quality of the product, price of the product, proper supply of materials, timely ness in supply, effective channel of distribution, customer treatment, after sale service, product chi queens professionalism in marketing strong grand image, effective packing system, and continuous improvement in business and so on.

Market:- A market, in general, may be described as a place or geographical area where buyers and sellers meet and function, goods of services are offered for sale, and transfers of title of ownership

occur. From the point of view of economics, a market is defined as “an aggregate of the potential buyers for a product or service”. But, in practice, the term market is used to denote “anybody of persons who are in intimate business relation and carry on any extensive transaction in any commodity”.

3. RESEARCH METHODOLOGY

In view of the objectives of the study, an exploratory design has been adopted. Further the researcher also touched the descriptive researcher design and causal analysis to relate between different variables. Exploratory research is one which largely interprets the available information on the study and it lays emphasis on the analysis and interpretation of the exiting and available information. This research is generally useful when we use the information collected from three sources, study of secondary sources, discussion with individuals and analysing the some specific case.

Sources of Data:

To perform the Research study by Researcher, the sources of data obtained are:

Primary Data:

This data is obtained by interacting and interviewing the dealers and customer in Telangana

Secondary Data:

This data is obtained directly from the company in the form of brochures, charts, diagrams, document and other forms.

Data Collection Tool:

Questionnaire:

This is one of the data collection tools. It is quite popular particularly in case big enquires. It is being adopted by private individuals, research worker, private and public organization and even government. In this method, a questionnaire is issued to the persons concerned with a request to

answer the questions and return the questionnaire. A questionnaire consists of number of questions printed or typed in a definite order or a form or set of forms.

The researcher used the structured questionnaire in which the questions were:

- **Open-ended questions**
- **Close-ended questions**
- **Dichotomous questions**
- **Multiple choice questions**

Tools of analysis:

The data collected through survey has been carefully and meaningfully analysed by using well established statistical tool and techniques. Important statistical technique is percentage method.

Hypothesis:

Hypothesis is a part of research that enables the researcher to predict about the future based on the present trend. It is very much essential in any research activity to develop the policies for a better working of the system. Based on the above concept, the hypothesis for the study developed by the researcher at the various stages of analysis.

NEED FOR THE STUDY

Consumer satisfaction is the most important objective for any manufacturing concern to successfully market its products. Tata motors should take a survey of the satisfaction level of consumers and define areas where possible improvement may be made. The research work has been therefore selected in this area.

The company which produces products does give life to sustain in competition without sales of products. So sales maximization are important function of the manufacturing company to get profits. Through sales only profit maximization happens through it wealth maximization is possible.

Distributions are also one of the important functions in marketing. Through distribution only one company can sell its products. Here the distribution channels contain the dealers. Who are very near to the customers and act as middlemen between the organizations. So there is a need to study sales and distribute on strategies.

Distribution system includes distribution channels. Which are sets of independent organizations involves in the process of making a product (or) a service available for the consumption. Distribution network is necessary for smooth flow of goods.

SCOPE OF THE STUDY

The study aims to measure satisfaction level of the Customer regarding **Tata Motors Limited**. The area within which the study was conducted regarding the information the primary data is collected in the form of questionnaire collected from the Customers in Telangana. To sum up the project had within the scope of the study in the area of **A STUDY ON EFFECTIVENESS OF SALES AND DISTRIBUTION CHANNEL OF TATA MOTORS LIMITED** Customers in Telangana for a particular time

OBJECTIVES OF THE STUDY

Primary objective:

To assess the role of dealers in **Tata Motors Limited**.

Secondary objective:

1. To assess the channel effectiveness in **Tata Motors Limited**.
2. To find dealers opinion on various issues of the present market situation and furthering (strengthening) channel effectiveness.

To offer suggestion in building effective channel strategy to **Tata Motors Limited**

LIMITATIONS OF THE STUDY:

The selected sample members are conspicuous and inconspicuous in nature. So, there is chance to arise some errors in the courts of survey.

The errors may be as follows:

1. Respondents may not disclose the right information, because the researcher is very stranger to them.
2. Respondents may give pleasing answers to the researchers even though it is not correct from the prospective.
3. The perception values like status, non-disclosure of the correct information and difficulty in expressing their personal feeling to an unknown researcher can bring wrong opinion poll ton filling the questionnaire.
4. Since, the sample size is small; a perfect mix of the respondents may not be available for the researcher to conduct the opinion survey.

INDUSTRY PROFILE

The automobile industry is one of India's most vibrant and growing industries. This industry accounts for 22 per cent of the country's manufacturing gross domestic product (GDP). The auto sector is one of the biggest job creators, both directly and indirectly. It is estimated that every job created in an auto company leads to three to five indirect ancillary jobs.

India's domestic market and its growth potential have been a big attraction for many global automakers. India is presently the world's third largest exporter of two-wheelers after China and Japan. According to a report by Standard Chartered Bank, India is likely to overtake Thailand in global auto-export market share by the year 2020.

The next few years are projected to show solid but cautious growth due to improved affordability, rising incomes and untapped markets. With the government's backing, and trends in the international scenario such as the decline in prices

of natural rubber, the Indian automobile industry is slated to witness some major growth.

Market size

For the calendar year (CY) 2021, all segments showed growth, and total sales increased by 5.8% to 18.49 million units, compared to 17.47 million units in January-December 2020. In CY21, passenger vehicles sales increased by 26.6% to 3.08 million units, up from 2.43 million units in CY20. The total number of commercial cars sold was 677,119, up 34% from 505,102 in the previous year. In FY21, the total passenger vehicles production reached 22.65 million vehicles. Two wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 81.21% and 14.56% market share, respectively, accounting for a combined sale of over 17.8 million vehicles in FY21. In January 2022, total production of passenger vehicles, three-wheelers, two-wheelers and quadric cycles reached 1,860,809 units.

COMPANY PROFILE

The Tata group comprises over 100 operating companies in seven business sectors: communications and information technology, engineering, materials, services, energy, consumer products and chemicals. The group has operations in more than 100 countries across six continents, and its companies export products and services to 150 countries.

It is among the world's leading manufacturers of automobiles with an employee strength of around 81,090. It was the market leader in commercial vehicles segment with about 36.32% market share in FY21. It is present in multiple segments like cars and utility vehicles, trucks and buses, defence vehicles, and electric vehicles. The company has extended its presence internationally through joint ventures (JV) like the strategic alliance with Fiat

and Marco polo. Tata Motors is present in about 175 countries with research and development (R&D) centres in UK, Italy, India and South Korea. Tata Motors sold 30,079 commercial vehicles in January 2022. Every Tata company or enterprise operates independently. Each of these companies has its own board of directors and shareholders, to whom it is answerable.

Tata_Sons is the principal investment holding company and promoter of Tata companies. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation and art and culture.

In 2020-21, the revenue of Tata companies, taken together, was \$103 billion (INR 7.7 trillion). These companies collectively employ over 800,000 people.

Companies include Tata Consultancy Services, Tata Motors, Tata Steel, Tata Chemicals, Tata Consumer Products, Titan, Tata Capital, Tata Power, Tata Advanced Systems, Indian Hotels and Tata Communications.

Sample Size

The researcher has done his research study on the dealers of Tata Motors Limited to know their present satisfaction and expectation from this brand. The researcher selected the dealers of Tata Motors Limited at Telangana for my research study.

Sampling Plan

Sample size: Sample size consists of 100 Customers

Sampling unit: The Sampling unit includes all the dealers of **Tata Motors Limited** products present in Telangana.

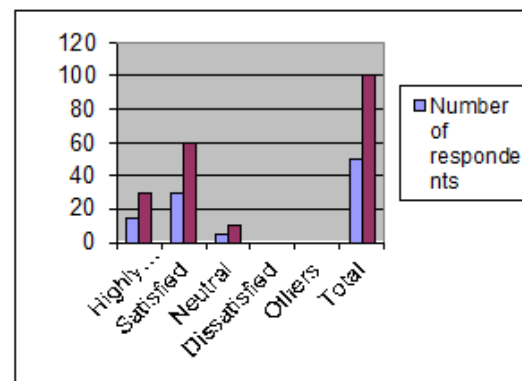
Sampling method: For collecting information from dealers and customers, simple random sampling method is used.

4.DATA ANALYSIS & INTERPRETATION

Table-1

Customer feeling about Company Image

Customer Opinion	Number of respondents	Percentage
Highly satisfied	30	30
Satisfied	60	60
Neutral	10	10
Dissatisfied	0	0
Others	0	0
Total	100	100



Inference:-

30% of the dealers falling highly satisfied about companied image and 60% of the dealers were feeling moderately satisfied, 10% of the dealers were feeling satisfied about companies image. the influence of brand name of Tata Motors Limited and followed by advertising, dealers influence.

FINDINGS

- Majority of the dealers having 7 to 8 years experience, and less number of dealers having above 12 years experience.
- Majority of dealers just satisfied about the company's image, remaining are neutral, Highly satisfied.

- Majority of the customers satisfying about the quality of the product next preference given brand name followed by usages, price.
- Most of the dealers expresses customers visit to shop by brand name only. And followed dealers influence, by friends, by advertising.
- The entire dealers were saying they do not face any difficulties to deal with the customers to selling the product.
- Majority of the dealers saying they do not come across stock out problems.

CONCLUSIONS

- Majority of the dealers satisfying with the supply from the company and very few members satisfied, dissatisfied.
- All the dealers were saying the entire floor space were providing only for goods storing purpose.
- Majority of the dealers satisfied with the mode of dispatch by the company. And few members were moderately satisfied, highly satisfied.
- Majority of the dealers they estimate the demand for various products by the orders and followed by seasonal base and past sales.
- All the dealers were saying they do not face any difficult in dealing with the company.
- Majority of the dealers were saying about the fright it incurs 2% to receive goods from company to your stock point.

SUGGESTIONS

- Provide opportunity for new entrants in the business.
- To create awareness about the company, using of various ways of promotional activities such as advertisement, to maintain the better relation with dealers.

- If possible increase the quality of the product and reduce the price.
- Company and dealers should try to maintain customer good relationship as much as the possible.
- Try to maintain better supply chain in order to improve the services. Supply the products with in time to the dealers.
- Try to provide discounts to dealers and credit facilities.
- Customers, who purchase the huge amount of products, provide free home delivery to customers place.

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