



GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306
POST GRADUATE DIPLOMA IN MANAGEMENT (2024-25)
MID TERM EXAMINATION (TERM -IV)

Subject Name: **Distribution Management**

Time: **01.00 hrs**

Sub. Code: **PGM43**

Max Marks: **20**

Read the case and answer the questions

10×02 = 20 Marks

Case Study:

ABC Electronics Ltd. is a mid-sized Indian company that specializes in manufacturing consumer electronics such as televisions, washing machines, and refrigerators. Established in 2005, the company has grown rapidly, building a solid reputation in urban markets for providing high-quality products at affordable prices. However, in recent years, they have faced increasing competition from both local and international brands. To expand its market share, ABC Electronics is focusing on optimizing its channel management strategy. Currently, the company operates through a multi-tiered distribution system, including:

- **Direct sales** through company-owned stores in metro cities.
- **Sales through national and regional distributors** who supply products to retailers in semi-urban and rural areas.
- **Online sales** through e-commerce platforms such as Amazon and Flipkart, as well as the company's own website.
- **B2B sales** to corporate clients and institutional buyers such as hotels and schools.

While this multi-channel approach has helped ABC Electronics reach a wide range of customers, managing these channels has become a challenge. Some of the key issues include:

- **Channel Conflicts:** Retailers complain that online platforms often offer heavy discounts, driving customers away from brick-and-mortar stores.
- **Inventory Management:** Coordinating inventory across multiple channels has led to frequent stockouts in some regions and overstocking in others.
- **Customer Experience:** Customers have inconsistent experiences depending on the channel they use—online orders might be delayed, while store customers experience out-of-stock issues.
- **Pricing Consistency:** Price variations between online platforms and physical stores have led to confusion and dissatisfaction among customers.

Channel Strategy Evaluation

The company's leadership team is considering several potential strategies to address these issues and improve channel management. These include:

- a) **Omni-Channel Integration:** By integrating all sales channels—physical stores, online platforms, and distributors—ABC Electronics can provide a seamless shopping experience. Customers could order products online and pick them up in-store, or return online purchases at any physical location. This would require a sophisticated inventory management system to ensure products are available where and when they are needed.
- b) **Channel Segmentation:** Instead of offering all products through all channels, the company could segment its product offerings by channel. For example, high-end products might be sold exclusively through company-owned stores, while budget products could be offered online or through regional distributors. This strategy could help reduce channel conflicts and tailor the customer experience to each segment.
- c) **Exclusive Online Product Lines:** Another option is to develop a separate product line specifically for online sales. This would allow the company to offer discounts on these products without undermining sales through traditional retailers.
- d) **Strengthening Relationships with Retailers:** To address retailer concerns about online discounts, ABC Electronics could work on building stronger relationships with its channel partners. This might involve offering better margins, providing marketing support, or creating incentive programs to encourage retailers to promote ABC's products over competitors.

Questions:

- A. In your opinion, should ABC Electronics focus more on strengthening its e-commerce presence or on maintaining and expanding its physical retail network? Justify your answer with examples from the case.**
- B. Evaluate the advantages and disadvantages of adopting an omni-channel integration strategy for ABC Electronics. How might this strategy impact customer satisfaction and operational efficiency?**

Mapping of Questions with Course Learning Outcome

Question Number	COs	Marks Allocated
Q. A	CO3	10 marks
Q. B	CO2	10 marks