

# A Study on Physical Distribution Effectiveness in Dairy Products

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**Abstract** - The study aims to analyse the A Study On Physical Distribution Effectiveness in Dairy Products is a core concept in marketing. Despite the importance of the concept however, there is limited research in the field of positioning clarifying to what extent various brand positioning alternatives affect consumer perceptions and how positioning effectiveness can be best measured. The present dissertation consists of three complementary empirical studies aimed at shedding light on the latter issues. The first study explores the impact of distinct types of brand positioning strategies on consumer categorization processes. The results of the qualitative study provide evidence that consumers categorize brands based upon their underlying positioning strategies. More specifically, consumers classify brands that share similar types of positioning bases into the same category.

**Keywords:** Physical Distribution, Effectiveness, Brand

## I. INTRODUCTION

A channel of distribution comprises a set of institutions which perform all of the activities utilized to move a product and its title from production to consumption. Bucklin-Theory of Distribution Channel Structure (1966) Another element of Neil H. Borden's Marketing mix is place. Place is also known as channel, distribution, or intermediary. It is the mechanism through which goods and/or services are moved from the manufacture/ service provider to the user or consumer.

### There are six basic 'channel' decisions

1. Do we use direct or indirect channels? (e.g. 'direct' to a consumer, "indirect" via a wholesaler)
2. Single or multiple channels
3. Cumulative length of the multiple channels
4. Types of intermediary (see later)
5. Number of intermediaries at each level (e.g. how many retailers in southern Spain).
6. Which companies as intermediaries to avoid 'intra channel conflict' (i.e. infighting between local distributors)

### Selection Consideration - how do we decide upon a distributor?

1. Market segment-the distributor must be familiar with your target consumer and segment.
2. Changes during the product life cycle - different channels can be exploited at different points in the PLC

e.g. Foldaway scooters are now available everywhere. Once they were sold via a few specific stores.

3. Producer - distributor fit is there a match between their policies, strategies, image, and yours? Look for 'synergy'.
4. Qualification assessment - establishes the experience and track record of your intermediary.

## II. TYPES OF CHANNEL INTERMEDIARIES

There are many types of intermediaries such as wholesalers, agents, retailers, the Internet, overseas distributors, direct marketing (from manufacturer to user without an intermediary), and many others. The main modes of distribution will be looked at in more detail.

### A. Channel Intermediaries - wholesalers

1. They break down 'bulk' into smaller packages for resale by a retailer.
2. They buy from producers and resell to retailers. They take ownership or 'title' to goods whereas agents do not (see below).
3. They provide storage facilities. For example, cheese manufacturers seldom wait for their product to mature. They sell on to a wholesaler that will store it and eventually resell to a retailer.

### B. Channel Intermediaries - Agents

1. Agents are mainly in international markets.
2. Agents can be very expensive to train. They are difficult to keep control of due to the physical distances involved. They are difficult to motivate.

### C. Channel Intermediaries - Retailers

1. Retailers will have a much stronger personal relationship with the consumer.
2. The retailer will hold several other brands and products. A consumer will expect to be exposed to many products.
3. Retailers will often offer credit to the customer e.g. electrical wholesalers, or travel agents.

#### **D. Channel Intermediaries – Internet**

1. The Internet has a geographically disperse market.
2. The main benefit of the Internet is that niche products reach a wider audience e.g. Scottish Salmon direct from an Inverness fishery.
3. There are low barriers to entry as set up costs are low.

#### **III. NEED FOR THE STUDY**

1. The study is very significant to understand the distribution channels.
2. The study is important to know the dealers satisfaction level for the dealership.
3. The study is important to know dealers satisfaction level for the price of the milk.

#### **IV. OBJECTIVES OF THE STUDY**

##### **Primary Objectives**

To study the distribution effectiveness of in dairy products

##### **Secondary objectives**

1. To know the factors that influence distribution of dairy products
2. To study the delivery time of to booth agent
3. To identify problem faced by dairy products agents

#### **V. SCOPE OF THE STUDY**

1. The study can help to the management to know the factors why their sale volumes are low.
2. The study will help to improve the sales volumes of the dairy products
3. The recommendation and suggestion of the study can also be applied to the similar project or similar situation

#### **VI. REVIEW OF LITERATURE**

##### **Stephen Holden**

Part of the promise of electronic government (e-government) is its ability to transform the delivery of information services and products from government to users. E-government allows federal agencies to supplement and even supplant private sector roles intermediating between government agencies and users, creating unintended consequences in terms of policy, theory, and practice. The problem is called “channel conflicts” in the marketing literature, and the typical response is called distribution channel management (DCM). After reviewing the literatures of e-government, information policy, and DCM, the paper explores differing DCM philosophies of two federal agencies; the internal revenue service and the U.S Census Bureau. An examination of these two DCM programs provides insights on how federal agencies may be able to manage their various channels for e-government

offerings despite tension in the current legal policy context. The paper concludes by using DCM literature to help frame options for dealing with these tension

##### **John Gattorna**

Channel of distribution are basic to the marketing strategies of firms, and have been shown to be a key element in the marketing mix. The author here undertakes a comprehensive review of channels literature, primary to identify and assess the adequacy of the various mainstream conceptual schemes which have emerged. Economics-based argument have largely been at the core of channels literature, although these have been partially offset by the concepts of the organizational and behavioral schools. The author concludes that whereas every conceptual approach reviewed has added something to our cumulative knowledge, no single approach has yet reached a point of adequate conceptualization based on his own basic criteria. As yet channels literature is mainly descriptive, and has virtually no predictive power.

##### **J.A.E.E Van Nunen**

This review addresses the specific supply chain management issues of internet fulfilment in a multi-channel environment. It provides a systematic overview of managerial planning tasks and reviews corresponding quantitative model. In this way, we aim to enhance the understanding of multi-channel e-fulfilment and to identify gap between relevant managerial issues literature, thereby indicating directions for future research. One of the recurrent patterns in today’s e-fulfilment into a portfolio of multiple alternative distribution channels. From a supply chain management perspective, multi-channel distribution provides opportunities for serving different customer segments, creating synergies, and exploiting economies of scales.

##### **Pask, Adrian**

A distribution channel is an asset that may grow in value if its performance is continuously evaluated. For many general agents and for captive agency managers, measuring distribution channel performance is sometimes as simple as saying, “This quarter’s sales are up; we must be doing a good job”. However, current quarter’s sales tell only part of the story when evaluating the health of a distribution channel. The problem is that a distribution channel’s value should be evaluated by its ability to sell polices over the next five years ten years, not by current quarter’s sales results. For example, sales can increase in the short term by overextending sales agents without hiring replacement. However, unrealistic sales goals and agent burnout could result in increased resignations or terminations, effectively reducing the capacity to sell over a five year time horizon. Sales also can increase in the short term as a result of aggressive sales practices that create large growth in first

year commissions, but these practices may ultimately create dissatisfied customers who may terminate their policies.

**Richard Lee Mille**

The author present a model for examining channel relationships which holds promise as a means for quantifying and evaluating channel relationships on non-economic, as well as economic bases. The model is adapted from e behavioral sciences, management and economics. Contributions from the behavioral sciences are examined, as compared to the typical economic description of these relationships. Also suggested is a process for measuring channel member perceptions of value exchanges which has implications for management for management and research.

**VII. RESEARCH METHODOLOGY**

Pilot study tells about the completeness, accuracy convenience of the sampling from which it is proposed to select the sample.

**Research Design**

On analysis the condition the researcher found that descriptive research design is appropriate for the research for the study.

**Descriptive Research**

Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we quite often use the term Ex post facto research for descriptive research studies. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happening.

**Sampling Design**

A sample is defined as a part or fraction of the population in the universe. A sample design is a define plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sample design is determined before data are collected. There are many sample design from which a researcher can choose.

**Sample Size**

The researcher selected the 110 respondents for the present study

**VIII. LIMITATION OF THE STUDY**

- a. One of the important of the study was lack of time. Though the respondent to the study was vast due to the time constrains the sample size was limited.

- b. The researcher has difficulty with most of the respondents who was not willing to cooperate with the study, as they were very busy with their work.
- c. The research had also difficulty in getting some information, which he respondents were not interested to give.

**IX. STATISTICAL TOOLS APPLIED**

The tools used for collecting the primary data are questionnaire. The questionnaire was used to collect the bulk of data. Questionnaire is the set of questions put forward for the customers to answer. The required data was collected by using both open ended questions. This is a preferred techniques for collecting the primary data. This researcher has used following statistical tools:

- 1. Percentage method
- 2. Chi-square test
- 3. Correlation

**Percentage Method**

Percentage refers to a special kind of ratio. It is used to make comparison between two more series of data. They can be used to compare the relative items, the distribution two or more series of data. Since the percentage reduce everything to a common base and there by allows meaningful comparison to be made.

$$\text{Percentage} = \frac{\text{Number of respondents}}{\text{Total respondents}} * 100$$

**Chi-Square**

Chi-square analysis statistics to test the goodness of fit to verify the distribution of observed data with assumed theoretical distribution. Therefore, it is a measure to study the divergence of actual and expected frequencies. It makes no assumptions about the population being sampled.

$$\chi^2 = \sum (O_i - E_i)^2 / E_i$$

The quantity X2 (chi-square) describes the magnitude of discrepancy between theory and observation. if X2 is zero, it means that the observed and expected frequency completely 30 coincides. The greater the value of X2, the greater would be the discrepancy between observed and expected frequencies.

**Correlation**

Correlation analysis is to describe methods designed to find out if the statistical relationship between the two variable exists or not. The appropriate statistical tools for discovering and measuring and relationship and expressing it in brief formula is known as correlation.

Correlation is a statistical tool which studies the relationship between two variables and calculation analysis involves various methods and techniques used for studying and measuring the extent of relationship between two variables.

$$r_{xy} = \frac{\sum dx dy - (\sum dx \cdot \sum dy) / n}{\sqrt{[\sum dx^2 - (\sum dx)^2 / n] \sum dy^2 - (\sum dy)^2}}$$

**X. DATA ANALYSIS AND INTERPRETATIONS**

TABLE 1 GENDER OF THE RESPONDENTS

S.No	Particular	No.of respondents	Percentage (%)
1	Male	67	61
2	Female	43	39

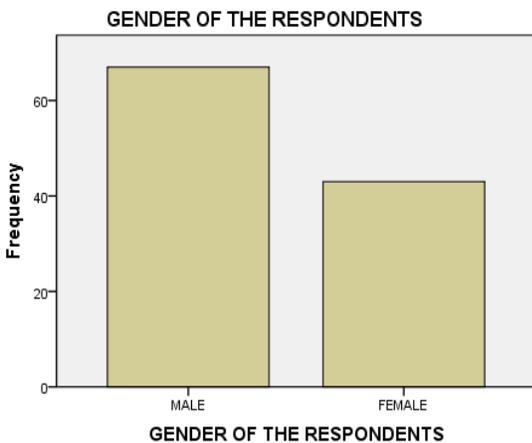


Fig.1 Gender-wise respondents

**Inference**

In the table shows of the gender of the respondents, 61% of peoples are from gender and 29% of peoples are from female.

TABLE II AGE OF THE RESPONDENTS

S.No.	Particular	No.of respondents	Percentage (%)
1	Below 25	8	7
2	25-35	61	56
3	36-45	30	27
4	46-55	10	9
5	Above 56	1	1

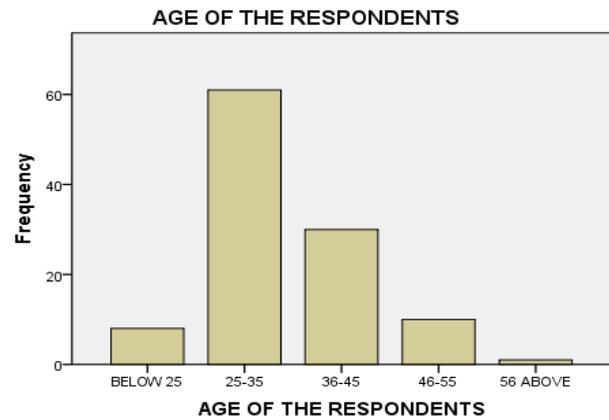


Fig.2 Age of Respondents

**Inference**

In the above table shows the age of respondents aavin, 56% of peoples are from 25-35, 27% of peoples are from 36-45, 9% of peoples are from 46-55, 7% of peoples are from below 25, 1% of people are from 56 above.

**1.Null hypothesis**

There is no significance difference between long are you distributing & satisfied in doing business level.

**Alternative hypothesis**

There is significance difference between long are you distributing & satisfied in doing business level.

TABLE III DISTRIBUTING & SATISFIED IN DOING BUSINESS

Test Statistics		
	LONG ARE YOU DISTRIBUTING	SATISFIED IN DOING BUSINESS
Chi-Square	13.709 <sup>a</sup>	68.455 <sup>b</sup>
Df	3	4
Asymp. Sig.	.003	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.5.		
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 22.0.		

**Inference**

Calculate the value is .000 which is less than table value of .01 hence, Ho is accepted. There is no significant relationship between tenure of you distributing & satisfied in doing business level.

**2. Null hypothesis**

There is no significance relationship between area of location and factor attracting distribute.

**Alternative hypothesis**

There is significance relationship between area of location and factor attracting distribute.

TABLE IV AREA OF LOCATION AND FACTOR ATTRACTING DISTRIBUTE.

		AREA OF LOCATION	FACTOR ATTRACTING YOU TO DISTRIBUTE
AREA OF LOCATION	Pearson Correlation	1	.204*
	Sig. (2-tailed)		.032
	N	110	110
FACTOR ATTRACTING YOU TO DISTRIBUTE	Pearson Correlation	.204*	1
	Sig. (2-tailed)	.032	
	N	110	110

\*. Correlation is significant at the 0.05 level (2-tailed).

**Inference**

The calculated significance value is 0.32 which is greater than table value is 0.05 and hence Ho is rejected. There is significance relationship between age of the respondent & volume of the business day.

**XI. FINDINGS OF THE STUDY**

1. In the table shows of the gender of the respondents, 61% of peoples are from gender and 29% of peoples are from female.

2. In the above table shows the age of respondent's, 56% of peoples are from 25-35, 27% of peoples are from 36-45, 9% of peoples are from 46-55, 7% of peoples are from below 25, 1% of people are from 56 above.

**XII. SUGGESIONS**

1. Increase the government parlors & working for govt. employee
2. dairy products should concentrated on sales man visit for wide marketing
3. dairy products should concentrate to attract the dealers.
4. dairy products should improve their sales promotional efforts.

**XIII. CONCLUSION**

This study on distribution channel of packaged milk is a study undertakes with care and special efforts been taken to make the study as specific as possible. The methodology typical proof to show that the study is scientific. From this study it is clear that the marketing efforts should be focused on retailer development to enhance the sales to appreciable. The consumer perfects a brand with good quality. The consumer is also giving importance to brand image.

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