

**“A STUDY ON THE EFFECTIVENESS OF DISTRIBUTION
SYSTEM OF KS CATTLE FEED IN KSE LTD
IRINJALAKUDA”**

by

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COLEGE OF CO-OPERATION BANKING AND MANAGEMENT

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KERALA, INDIA.

2018

Declaration

DECLARATION

I, hereby declare that this project report entitled “**A STUDY ON THE EFFECTIVENESS OF DISTRIBUTION SYSTEM OF KS CATTLE FEED IN KSE LTD IRINJALAKUDA**” is a bonafide record of work done by me during the course of project work and that it has not previously formed the basis for the award to me for any degree/diploma, associate ship, fellowship or another similar title of any other University or Society.

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Certificate

CERTIFICATE

Certified that this project report entitled “**A STUDY ON THE EFFECTIVENESS OF DISTRIBUTION SYSTEM OF KS CATTLE FEED IN KSE LTD IRINJALAKUDA**” is a record of project work done independently by Ms. **ROSEMARY INASU M** under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship or other similar title to them.


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For **KSE Limited**

M.D Johny
Chief Personnel Manager.

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For any errors or inadequacies that may remain in this work, of course the responsibility is entirely my own.

ROSEMARY INASU M

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Chapter I
Design of the study

CHAPTER I

DESIGN OF THE STUDY

1.1 Introduction

A Distribution channel is a set of interdependent organizations (intermediaries) involved in the process of making a product or service available for use or consumption by the consumer or business user. Channel decisions are among the most important decisions that management faces which directly affect every other marketing decision. A channel of distribution or trade channel is the path or route along which goods move from producers to ultimate consumers or industrial users. In other words, it is the distribution network through which a producer puts his product in the hands of actual users. The channel of distribution includes the original producer, the final buyer and any middlemen-either wholesaler or retailer.

Channels of distribution for a product the route taken by the title to goods they are from the producers to the ultimate consumers. It is very important because product in one place while the consumption scattered in many place. So there is big gap between producers and the consumers. So through channels of distribution can only fill the gap. A channel of distribution connects a link between the producers and the consumers.

Distribution channels are vital constituent of a firm comprehensive marketing strategy. They assist in expanding product reach and availability as well in increasing revenue. Every company wants to know effectiveness of distribution channel of its product. If the distribution channel is not effective, the company cannot perform very well in the market. Channels of distribution for a product the route taken by the title to goods they are from the producers to the ultimate consumers. It is very important because product in one place while the consumption scattered in many place. So there is big gap between producers and the consumers. So through channels of distribution can only fill the gap. A channel of distribution connects a link between the producers and the consumers. Distribution channels play a very important role in achieving the marketing objectives of a company. Undoubtedly, the manufacturer of product or services creates involve utility but the distribution channels create time and place utilities.

This study aims at determining the effectiveness of distribution channels of KS cattle feed in KSE Ltd, Irinjalakuda. It is the largest manufacturer of compound cattle feed in private sector in the country. With modern manufacturing facilities spread in 3 states, KSE caters to the vast belt stretching across southern India. Since the early days KSE has endeavored to supply its products to customers through an extensive network of dealers and retailers, which form a dedicated force behind the success of KSE. It is a matter of pride that KSE has a household name today with a strong commitment to customers and product quality and being cost competitive, KSE stands to meet new challenges. The organization has changed its production facilities to achieve the market demand of the product, it taken latest technology for better efficiency and through proper strategy planning it can make good sales and also create good forward loyalty in the mind of customers.

1.2 Statement of problem

Due to the upcoming of new competitors in the market the company has to struggle a lot to sustain its share in the market. The company mainly focuses on delivering quality products and to ensure satisfaction of its customers. In doing so, often they are not keen on mass media advertising which renders low reach to its products among potential buyers in the market. Hence to improve its market share and be competitive among other competing brands, the company should recast its marketing strategy, especially its distribution strategy.

To increase the sales the way out for every company is to ensure reach of their products to maximum sales outlets, through which maximum sales could be carried out. For this the company should look for the best supportive distribution system. The distribution should be fast and accurate so that the needed products will reach the needy customers at the right time, which may contribute to enhancing the goodwill of the company in the minds of the customers. Many companies do fails in maintaining an appropriate delivery system. In this context, the present study aims to find out whether the distribution systems of KSE products are carried out in an effective way or not.

This study examines the effectiveness of distribution channel of KS cattle feed in KSE Ltd, Thrissur district. It studies whether the product is being distributed effectively or not in the market, and whether the customers are satisfied with the availability of products in the present condition.

1.3 Objectives of the study

- To study the effectiveness of the distribution system of KS cattle feed in KSE Ltd Irinjalakuda.

1.4 Methodology

1.4.1 Source of data

Data was collected from primary and secondary sources.

1.4.2 Period of study

Study has been conducted in the time period of August 2018 to October 2018.

1.4.3 Location of study

Data were collected from five different regions of Thrissur district

1.4.4 Sampling Technique

Purposive sampling for wholesalers, Random Sampling for retailers and convenience sampling Technique for customers was used for selecting the respondents.

1.4.5 Sampling Size

For this study samples was taken from the following sample frame

Sample Place	Sample Size
Distributors	5
Retail Stores	25
Customers	50
Total	80

1.4.6 Parameters of the study

1.4.6.1 At Wholesalers level

- Frequency of ordering

- Satisfaction towards Margin, Discount and schemes
- Reason for association with KSE
- Time taken between order and delivery
- Delivery period

1.4.6.2 At Retailers level

- Frequency of ordering
- Reason for association with KSE
- Satisfaction towards Margin, services and Discount
- Time taken between order and delivery

1.4.6.3 At Customers level

- Brand preference
- Availability of product in the market
- Satisfaction level

1.4.7 Data collection method

Primary data shall be collected through semi-structured interview schedule, administered among samples of distributors, retailers and customers.

Secondary data will be collected from records and information from publications, research reports, newspapers, internet sources articles, published thesis, journals, e-resources etc.

1.4.8 Proposed statistical tools of the study

The collected data were analyzed with the help of percentages and index method. For the construction of indices the respondents were asked to rate the statements representing the selected variables on a five point Likert scale viz highly satisfied, satisfied, no opinion, dissatisfied and highly dissatisfied with scores 5,4,3,2 and 1. The scores of all respondents for each variables summed up to arrive at total score. The total score thus obtained by each variable were then divided by maximum possible score to obtain the index of those variables

Index for a statement is calculated using the formula

$$I = \frac{\text{Total score of the statement}}{\text{Maximum score}} \times 100$$

The index obtained were classified into

Index	Level of impact
>80	High
60-79	Good
40-59	Moderate
20-39	Poor
<20	Very poor

1.5 Scope of study

Distribution Channels perform a crucial role in the successful distribution and marketing of the products. They have various contacts, expertise and wider knowledge of the products. The rapidly growing markets and increasing complexities of distribution have increased the demand and requirement of the distribution channels. The study covers to find out the effectiveness of the currently available Distribution system of KS cattle feed and to give suggestions for improving the present Distribution system if needed.

1.6 Limitations

- The primary data collected from distributors, retailers and customers may subject to personal bias.

1.7 Chapterisation

The first chapter deals about the introduction, statement of the problem, objective, methodology, scope and limitations of the study. The second chapter explains theoretical framework related to Effectiveness of Distribution channel. The third chapter deals with review

of related literature. The fourth chapter deals with industrial profile and the company profile of KSE. The fifth chapter deals with data analysis and interpretation and the sixth chapter deals with summery of findings, suggestions and conclusion.

Chapter II
Review of literature

CHAPTER II

REVIEW OF LITERATURE

The role of distribution is to provide to a company the accomplishment of the task of delivering the product at a right time, place, and quantity at a minimum cost (Bucklin, 1966).

Channels of distribution can be viewed as social systems comprising a set of interdependent organizations, which perform all the activities (functions), utilized to move a product and its title from production to consumption (Stern & Neskett, 1969; Stern, 1971).

A channel of distribution can be defined as the collection of organization units, either internal or external to the manufacturer, which performs the functions involved in product marketing. These functions are persuasive and include buying, selling, transporting, storing, grading, financing, market risk bearing and providing marketing information. A channel member is an individual organization unit institution or agency that performs one or more of the marketing functions and by doing so has an active role in the channel of distribution (Lambert, 1978).

According to Stern and Reve (1980), channel theory is divided into two orientations: an economic approach and other behavioral. First analyzes the efficiency of the channel, studying issues like channel design and structure. The latter is sociological oriented, focusing on power, Cooperation, satisfaction and conflict in channels.

Stern and El-Ansary (1982) affirm that a channel is not easy selected; there are some constraints such as the availability of good middlemen, traditional channel patterns, product characteristics, company finances, competitive strategies, and customer dispersion question. It is the same idea of Mcvey (1960) who state that channels networks were not necessarily designed under the control of one type of organization and it faces limited choices in designing the channels for their products. The author defend that “choice of a channel is not open to any firm unless it has considerable freedom of action in matters of marketing policy.”

The marketing channels literature has given considerable attention to the study of channel structure. Early researchers discussed channel structure in terms of the functions performed by channel members (Mallen, 1973). The basic idea was that these functions could be allocated in different mixes among the various channel members depending on the characteristics of the channel. As structure research evolved, several common elements emerged, which were seen as varying across different channels, including: the number of channel levels (i.e., number of intermediaries involved), the intensity at the various levels (the number of intermediaries at each level of distribution), and the types of intermediaries at each level (i.e., retailers, wholesalers, distributors) (Rosenbloom B., 1987). Thus, channel structure was essentially treated at a micro level, rather than examining the more macro issues such as: how firms decide who will perform what activities, the costs and trade-offs involved in using various channel strategies, and various extraneous factors affecting channel relations.

No single "model" distribution system can be tailored for all business firms. The distribution function, like other functions of the firm, must be developed within the framework of management philosophy and available resources of the individual firm. During the 1960s, three characteristic or identifiable approaches to integrated distribution management have emerged. They are: physical distribution management, materials management and business logistics. (La Londe, Grabner, & Robeson, 1993).

“Distribution encompasses a system of all activities that are related to the transfer of economic goods between manufacturers and consumers. It includes such a coordinated preparation of manufactured goods according to their type and volume, space and time, so that supply deadlines can be met (order fulfillment) or estimated demand can be efficiently satisfied (when producing for an anonymous market)”(Domschke & Schield, 1994).

Starting from the 70's, tremendous strides have been made in the understanding of how firms should organize and manage their channels of distribution. Still, the researchers have barely touched the surface of all the managerial issues that have been addressed. Furthermore, many issues of managerial importance relating to the organization and management of channels of distribution have received no attention in empirical research (Frazier, 1999).

The structure of channels requires a set of strategic decisions (Rosenbloom 1999; Lilien et al. 1992): the first decision determines the appropriate intermediary type, e.g. wholesaler,

retailer, franchise, broker, direct sales force; second is distribution intensity (how many intermediaries to include and number of levels of a channel structure).

The second strategic decision in a channel, distribution intensity, is a key element of the channel strategy (Coughlan et al., 2001; Lilien et al., 1992; Jain, 2000), and often dictate all the channel structure influencing the type of intermediary, the coverage of the market, and the kind of distribution (direct or indirect).

Kotler (2000) named five functions for the distribution channel: information; promotion; contact; matching; negotiation. Hudson (2008) added 'financing' to these functions which should help the organisation in bridging the gaps of time, place and possession between itself and the customers (Kotler, 2000).

Distribution channels are all those organisations that a product has to go through between its production and consumption (Kotler 2006.).

In the so-called consumer marketing channels, the marketing channel system usually includes the following operators: producer/manufacturer, wholesaler, intermediary, and retailer. On the other hand, when it comes to business marketing channels, the following are included: producer/manufacturer, representative or sales subsidiary of manufacturer, business distributor and business client (Kotler 2006,). Different authors describe the possible options of marketing, i.e. distribution channels in different ways. Nevertheless, the basic division is into direct and indirect channels. In direct channels, producers/manufacturers sell their goods directly to individual consumers, while indirect channels include a trading company as well. An indirect marketing channel can be both short and long. Only one trading company is included in the short channel (usually, it is a retail company). In the long channel, there are two or more intermediaries (wholesale and retail companies).

The very earliest formal conceptions of marketing channels focused on the functions performed by a distribution system and the associated utility of these functions and the overall system. Reflecting their presence in industrial and transitional economies, marketing channels gradually came to be viewed as the set of interdependent organizations involved in the process of making a product or service available for use or consumption (Coughlin, Anderson, Stern, & El-Ansary, 2001). This institutional oriented perspective draws attention to those members (e.g. wholesalers, distributors, retailers, etc.) comprising the distribution system and engaged in the

delivery of goods and services from the point of conception to the point of consumption (Anderson & Coughlan, 2002). The management of such institutions through marketing channel management involves the planning, organizing, coordinating, directing and controlling efforts of channel members (Gundlach et al, 2006).

Distribution systems are usually divided into:

- (a) acquisition distribution system
- (b) logistic, i.e. physical distribution system.

The literature on marketing channels has given a good deal of time and effort to understanding the many interrelationships which develop between channel members. In this effort, topics such as channel structure, power/conflict, environmental issues, and relational dimensions have been studied thoroughly. However, the concept of channel strategy, as well as other aspects related to distribution management have received little attention (Brent, 2007).

Distribution, as one of four elements of marketing complex, is an inseparable part of marketing decisions which involves all the decisions about distribution of products to the end user. The issues of distribution were analyzed by a number of marketing specialists (Berman, 1999; Kim, 1996; Delton, 1997; Frazier, 1999; Kotler, 2003; Rosenbloom, 1999; Stern, 2006; etc.), paying a big attention to the elaboration of the procedures of marketing channel design (Gudonaviciene & Alijosiene, 2008).

Physical distribution has been acknowledged as being an important component of channel management (cf. Frazier, Spekman & O'Neal, 1988; Coughlan Anderson, Stern & El-ansary, 2006). However, relatively little attention has been paid to physical distribution function in channels research within the marketing literature. The general topic has received more emphasis in other literatures, such as in operations management, logistics, transportation, purchasing and information technology, with a general focus on how product orders can be efficiently and effectively processed, and then delivered to channel members and end-customers. Among the main areas of interest have been inventory management, the number placement, and design of warehouses or distribution centers, the use of technology to aide in processing orders, delivery

options to customers, and customer payment methods(cf. Innis and laLonde, 1994; Emerson and Grimm, 1996; Giannakis and Groom, 2004; Giunipero, Hooker, Joseph-Matthews, Yoo and Brudvig, 2008).

The lack of attention to physical distribution in channels research in marketing is unfortunate. Physical distribution functions will impact both channel organization and the manner in which channel relationships are coordinated over time. More clarity is necessary on the role of physical distribution functions within the general domain of channel management (Frazier, 2009).

More recent research in channel structure examines both macro and micro issues. The majority of the current research on channel structure focuses on one of two broad operationalizations of structure: transactional form or bureaucratic form. Though it could be argued that the degree of relationalism also reflects the structure of the relationship, transactional form and bureaucratic form is the most widely accepted (Brent, 2007).

G. Specht has pointed out that this division is not completely accurate, since both of these subsystems exhibit certain common starting points. According to this author, acquisition distribution system management includes the management of distribution routes, i.e. distribution channels. Logistic distribution system is focused on bridging the space and time by transportation and storage, as well as order processing and shipment, supply logistics, i.e. the movement of materials (compare Specht,). The term "distribution channels" can at the moment be replaced by the term "marketing channel". "Marketing channel" as a more complex term has been used in the USA since the 1970s, because the intermediaries include not only those who participate in the physical flow of a product from the manufacturer to the end user, but also those that have a role in the transfer of product ownership, as well as other intermediary institutions that participate in the value distribution from production to consumption (Tipurić, 1993).

Distribution or marketing channels are systems of mutually dependent organisations included in the process of making goods or services available for use or consumption. Moreover, a marketing channel is "the external contactual organization that management operates to achieve its distribution objectives" (Rosenbloom, 2004, 8). There follow some more recent concepts of

the distribution channel: „Channel of distribution – The route along which goods and services travel from producer/manufacturer through marketing intermediaries (such as wholesalers, distributors, and retailers) to the final user. Channels of distribution provide downstream value by bringing finished products to end users. This flow may involve the physical movement of the product or simply the transfer of title to it. Also known as a distribution channel, a distribution chain, a distribution pipeline, a supply chain, a marketing channel, a market channel, and a trade channel.“ (Ostrow, 2009).

McCabe (2009) highlighted the necessity of understanding how to get access to the customer to deliver the marketing message and the organization's products and services. Hudson (2008) agreed with him and stressed the importance of designing a “distribution system” to work as a framework for making the organization's services available for customers

Nowadays, marketing channels which provide the institutional structure that connects firms to the markets they serve have not escaped the global environment. On the contrary, in today's world, marketing channel structure and strategy must be formulated in the context of globalization (Rosenbloom & Larsen, 2008). Thus, managers responsible for developing and managing the distribution channels that make products and services available to literally billions of customers around the world face a more complex challenge than the previous generation of channel managers. Not only do today's channel managers need to think globally, but they must also act locally in terms of providing the appropriate array of channels desired by heterogeneous markets all over the world (Rosenbloom, 2010).

Similarly, distribution channel is defined by Hill: "Distribution channel - one or more companies or individuals who participate in the flow of goods and services from the manufacturer to the final user or consumer" (Hill, 2010)

Managers responsible for developing and managing the distribution channels that make products and services available to literally billions of customers around the world face a more complex challenge than the previous generation of channel managers. Not only do today's channel managers need to think globally, but they must also act locally in terms of providing the

appropriate array of channels desired by heterogeneous markets all over the world (Rosenbloom, 2010).

Marketing channel decisions are among the most important decisions that management faces today. Indeed, if one looks at the major strategy of the marketing mix (product, price, promotion and distribution), the greatest potential for achieving a competitive advantage now lies in distribution (Obaji, 2011).

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Chapter III
Effectiveness of Distribution System- An
overview

CHAPTER III

THEORETICAL FRAMEWORK

3.1 Introduction

Distribution channel is the path through which goods and services travel from the vendor to the consumer or payments for those products travel from the consumer to the vendor to consumer or may include several interconnected intermediaries along the way such as wholesalers, distributors, agents and retailers. Each intermediary receives the item at one pricing point and moves it to the next higher point until it reaches the final buyer. Coffee does not reach the consumer before first going through a channel involving the farmer, exporter, importer, distributors and the retailer.

The distribution of marketing is comparable to the place component of the marketing mix in that both centre on getting the goods from the producer to the consumer. A distribution channel in marketing refers to the path or route through which goods and services travel to get from the place of production or manufacture to the final users. It has at its centre transportation and logical considerations. A distribution system is said to be direct when the product or service leaves the producer and goes directly to the customer with no middleman involved. This occurs, more often than not, with the sale of services. For example, both the car wash and the barber utilize direct distribution because the customer receives the service directly from the producer. This can also occur with organisations that sell tangible goods, such as the jewellery manufacturer who sells its products directly to the consumer. Indirect distribution occurs when there are middlemen or intermediaries within the distribution channel. In the wood example, the intermediaries would be the lumber manufacturer, the furniture maker, and the retailer. The larger the number of intermediaries within the channel, the higher the price is likely to be for the final customer. This is because of the value adding that occurs at each step within the structure.

3.2 Types of Channels of Distribution

Manufacturers and distributors are two major components of the market. Intermediaries perform the duty of eliminating the distance between the two. There is no standardized level which proves that the distance between the two is eliminated. Based on possible there happen to be no

intermediary. Their description is the requirement of one or more intermediaries can be taken and even this is as follows:

3.2.1 Direct Channel or Zero Level Channels:

When the manufacturer instead of selling the goods to the intermediary sells it directly to the consumer then this is known as Zero Level Channel. Retail outlets, mail order selling, and internet selling.

3.2.2 Indirect Channels:

When a manufacturer gets the product of one or more middlemen to move from the place of consumption, the distribution channel is called the indirect channel. Following are the main types of it.

3.2.2.1 One Level Channel

In this method an intermediary is used. Here a manufacturer sells the goods directly to the retailer or selling it to agents or wholesalers. This method is used for expensive watches and other like products. This method is also useful for selling FMCG (Fast Moving Consumer Goods)

3.2.2.2 Two Level Channels:

In this method a manufacturer sells the material to a wholesaler, the wholesaler to the retailer and then the retailer to the consumer. Here, the wholesaler after purchasing the material in large quantity from the manufacturer sells it in small quantity to the retailer. Then the retailers make the products available to the consumers. This medium is mainly used to sell soap, tea, salt, cigarette, sugar, ghee etc.

3.2.2.3 Three level channels:

Under this one more level is added to Two Level Channel in the form of agent. An agent facilitates to reduce the distance between the manufactures and the wholesaler. Some big companies who cannot directly contact the wholesaler, they take the help of agents. Such companies appoint their agents in every region and sell the material to them. Then the agents sell

the material to the wholesalers, the wholesaler to the retailer in the end the retailer and in the retailer sells the material to the consumers.

3.2.2.4 Duel distribution

In this type of channel, a company may use a combination of direct and indirect selling. The product may be sold directly to a consumer, while in other cases it may be sold through intermediaries. This type of channel may help reach more consumers but there may be vary and an inconsistent image for the product and a related service may begin to take hold

3.2.2.5 Reverse channels

The last, most non tradition channel allows for the consumer to send a product to the producer. This reverse flow is what distinguishes this method from the others. An example of this is when a consumer recycles and makes money from this activity.

3.3 Importance of Distribution Channels in Marketing

In the field of marketing, channels of distribution indicate routes or pathways through which goods and services flow, or more from producers to consumers. We can define formally the distribution channels as set of independent marketing institutions participating in the marketing activities involved in the movement the flow of goods or services from the primary producers to ultimate consumers.

A channel of distribution is a path traced in the director or indirect transfer of ownership of a product as it moves from producers to consumers. A channel is a pipeline through which a flows on its way to the consumers. The manager put his products into the pipelines marketing channels and it moves towards various marketing people and reaches the ultimate consumer which is the other end of the channels.

The marketing channels may be defined as: "The external contractual organisation that management operates to achieve its distribution objectives" (Rosenbloom, 2004). From the viewpoint of the manufacturer, a key aspect of marketing strategy is to determine how best to go to market (Bowersox & Cooper, 1992)

3.4 COMPONENTS OF DISTRIBUTION SYSTEM:

2.4.1 Channels of distribution

2.4.2 Physical distribution

3.4.1 Channels of distribution

Means a process through which the products are transferred from the producers to the ultimate consumers. It also known as marketing channels. The channels members such as merchants, agents, wholesalers and retailers are middleman in distribution and they perform all marketing functions. These channels members such as merchant agents, wholesalers and retailers are middleman in contribution and try performing according to marketing functions. These middlemen facilitate the process of exchange and create time, place and possession utilities through matching and sorting process. Sorting enables meeting or matching the supply with consumers demand.

3.4.2 Physical distribution

It looks after physical handling of goods and assures maximum customers services. It aims at offering of delivery of right goods at the right distribution activities cover:

- Order processing
- Packaging
- Transportation
- Inventory control
- Customer service

All middle in distribution on performs these function and they assure putting the products within an arm's length customer's desire and demand.

3.5 ELEMNTS OF DISTRIBUTION CHANNELS

3.5.1 Transportation:

Transportation is that activity through which products are moved from one place to another. By making the products reach a desirable place can increase the importance and value of those products.

For example: Himachal Pradesh and Kashmir grow apples in large quantities and their demand is throughout the country. These apples are moved to their desired places by means of transportation.

Many means of transportations are available, like road, railway, air, water, pipeline, etc. While choosing the means of transportation, the following elements should be kept in consideration:

- Cost
- Speed
- Dependability
- Frequency
- Power safety

Examples:

- For FMCG goods or perishable goods high speed transport system should be used
- For Gas and Petroleum the use of pipeline is advisable.

3.5.2 Inventory

By inventory we mean the stock of raw materials, semi-finished goods and finished goods held in anticipation of sales or use. How much inventory should be kept for various items? This is an important decision in physical distribution.

The main reason as to why this decision is important is that if the inventory is either more or less than required, both the situations have their advantages and limitations. Like:

3.5.2.1 Low quantity of stock: If the quantity of inventory is kept low, then less amount of money is blocked and as a result of this investment is small. On the other hand, with the slight increase in demand because of the scarcity of inventory the consumers will turn to the rival companies.

3.5.2.2 Excessive quantity of stock: If the stock is available in excessive quantity, then any demand can be met. So the risk that consumers will desert drops to zero. On the other hand, investing more in inventory will block the money unnecessarily

and investments will increase. In short, after analyzing the pros and cons of both the situations the decision about the adequate quantity of stock should be taken.

3.5.3 Warehousing: Often it is noticed that it takes sometimes between purchasing or manufacturing and selling. For this time period material has to be kept in stock. Under warehousing activity the following decisions regarding the inventory of material are taken:

- a) Which is a better option? (To own or to rent a warehouse)
- b) Which is the right location for a warehouse? (Nearer to the factory or nearer to the market)
- c) Which decision is more appropriate? (To locate the warehouse at one place or at different places) by taking warehousing facility at different places, the advantage of meeting the demand of material expeditiously is gained.

Here the thing to be kept in mind is that warehousing requires investment. So after analyzing its advantages and usefulness desirable decision should be taken.

3.5.3 Order processing:

Order processing means the process which is followed to fulfill the material order of the customer. Different steps of an order processing are as follows:

- Orders placed by consumers to salesperson.
- Transmission of order by salesperson to the company
- Entry of order in the company office
- Evaluating the reputation of the customer
- Checking inventory and preparing schedule.
- Shipment of material in accordance to the order.
- Receiving payment.

The customer service level is judged from the fact as to how expeditiously the shipment reaches the customer. Customer satisfaction and speed of shipment are directly inter-related. Hence, faster the pace of shipment, higher the rate of customer satisfaction will be. Keeping this thing into consideration companies are now a days using system based on Information

Technology. So that by delivering shipment expeditiously customer service level can be improved.

3.6 MIDDLEMAN IN DISTRIBUTION CHANNEL

Middleman who can provide wanted marketing services will be given first preference. The selected middleman must offer maximum co-operation particularly in promotional services. They must expect marketing policies and programs of the manufactures and actively help them in their implementation. The channel generating the largest sales volume unit cost will be given top priority this will be minimizing distribution cost.

Merchant intermediaries are those channels members who take both title to and position of goods from the proceeding member(s) and channel's them to the subsequence. These may clarify as follows:

3.6.1 Wholesalers

A merchants wholesalers may be defined as that intermediary who buys goods in bulk from manufactures and sells them largely to subsequent intermediaries participating in the channel, namely, semi-wholesalers and retailers, they buy the goods and sees the same on their own account and risk. They take title of goods and they resale the goods at a profit with commission.

3.6.2 Retailers

A retailer may be defined as that merchant intermediary who buys product from preceding channels members in smaller assorted lots suit individuals' consumers' requirements. Retail in the final middleman in the channel of distribution as he is going to sell products to houses holds consumers for non-business use.

Retailers are further classified as institutional and non-institutional retailers.

The institutional retailers are:

- Consumer co-operative stores
- Fair price stores
- Departmental stores
- Chain/Multiple stores

- Mail order houses
- The Non-institutional buyers are
- Street sellers
- Peddlers
- Hawkers

3.6.3 Agent intermediaries

Agent intermediaries are those channel components who never take title to end usually do not take title to and usually do not take possession of goods but merely assist manufactures, merchants intermediaries and consumers in carrying out transactions of sale and purchase. These for, unlike merchant intermediaries, they do not buy or sell goods on their own account but merely bring buyers and sellers together in order to strike a transaction. There exist an agency relationship between such an intermediary manufactures where in the former acts an agent and the latter as his principal, such agent intermediaries solicit orders, sometimes with discretion a fixing prices, and determines the term of sale with buyers. Agent intermediaries are usually compensable for their services by way of commission on the value of sales affected through them or any other basis naturally agrees upon. Agent intermediaries may be further classified as follows:

- Sole selling agent
- Soling agent
- Commission agent
- Brokers

3.7 Functions of a good marketing channel

Marketing channels serve many functions, including creating utility and facilitating exchange efficiencies. Although some of these functions may be performed by a single channel member, most functions are accomplished through both independent and joint efforts of channel members. When managed effectively, the relationships among channel members can also form supply chains that benefits all members of the channel, including the ultimate consumer.

3.7.1 Information provider:

Middleman has a role in providing information about the market to the manufacturer. Developments like changes in customer Demography, Psychography, media habits and the entry of a new competitor a new brand and changes in customer preferences are some of the information that all manufactures want. Since these middlemen are present in the market place and close to the customers they can provide this information at no additional cost.

3.7.2 Price Stability:

Maintaining price stability in the market is another function a middleman performs. Many a time the middleman absorbs an increase in the price of the products and continues to charge the customer the same old price. This is because of the intra- middleman competition. The middleman also maintains price stability by keeping his overheads low.

3.7.3 Promotion:

Promoting the products in his territory is another function that middlemen perform. Many of them design their own sales incentive programs, aimed at building customers traffic at the other outlets.

3.7.4 Financing:

Middlemen finance manufactures' operation by providing the necessary working capital in the form of advance payments for goods and services. The payments are in advance even though the manufacturer may extend credit, because it has to be made even before the products are bought, consumed and paid for by the ultimate consumer.

3.7.5 Title:

Most middlemen take the title to the goods, services and trade in their own name. This helps in diffusing the risks between the manufacturer and middlemen. This also enables middlemen to be in physical possession of the goods, which in turn enables them to meet customer demand at very moment it arises.

3.7.6 Help in Production Function:

The producer can concentrate on the production function leaving the marketing problem to middlemen who specialize in the profession. Their services can best be utilised for selling the product. The finance, required for organizing marketing can profitably be used in production where the rate of return would be greater.

3.7.7 Matching Demand and Supply:

The chief function of intermediaries is to assemble the goods from many producers in such a manner that a customer can affect purchases with ease. The goal of marketing is the matching of segments of supply and demand.

The matching process is undertaken by performing the following function:

a) Contractual:

Finding out buyers and sellers.

b) Merchandising:

Producing goods that will satisfy market requirements

c) Pricing:

Process of attaching value to the product in monetary terms

d) Propaganda:

Sales promotion activities

e) Physical distribution:

Distribution activities

f) Termination:

Settlement of contract

3.7.8 Pricing:

In pricing a product, the producer should invite the suggestions from the middlemen who are very close to the ultimate users and know what they can pay for the product... Pricing may be different for different markets or products depending upon the channel of distribution.

3.7.9 Standardizing Transactions:

Standardizing transactions are marketing operations of another function. The distribution is standardized throughout the marketing channel so that consumers do not negotiate with the sellers on any aspect, whether it is price, quantity, method of payment or location of the product. By standardizing transactions, marketing channels automate most of the stages in the product from the manufacturer to the customers.

3.7.10 Matching Buyers and Sellers:

The most critical activity of the marketing channel members is to match the needs of buyers and sellers. Typically, most sellers do not know where they can reach potential buyers and similarly, buyers do not know where they can reach potential sellers. From this perspective, the role of the marketing channel to match the buyers 'and sellers' needs becomes very vital. For example, a painter of modern art may not know where he can reach his potential customers, but an art dealer would surely know.

3.7 How to choose a Suitable Channel of Distribution

The success or failure of an enterprise depends upon, to a great extent, the selection of a suitable channel of distribution. There are a number of factors that must be considered when a channel of distribution is selected. In practice, many choices are available, so a careful study is required before a decision can be reached that will be given to the spatial conditions of the enterprise to be the best channel of distribution.

3.9 Some of the important factors to be kept in mind while selecting a distribution channel are:

- ✓ Study the channels that are available, more especially those used by the competitors.

- ✓ Determine the channel that will best match the salient characteristics distribution of the products to be marketed
- ✓ Estimate the probable demand for the product.
- ✓ Consider the available financial resources
- ✓ Approximate the costs, sales and profits each available channel.
- ✓ Determine the amount of the product line and amount of a typical order.

3.10 Producer to Wholesaler to Retailer to Consumer Channel:

This channel is also known as the traditional channel. This is also the most common method of distribution under which the producer sells to the wholesaler who, in turn, sells to the retailer, who finally sells to the consumer. In this system, the wholesaler is granted a certain portion of the total profit, in turn for which he or she buys stores, sells, delivers and extends credits. This channel is invariably used in respect of groceries, drugs, drug goods, etc.

This channel option is particularly suitable to the following types of producers:

1. Who lack in financial resources;
2. Whose product line is narrow; and
3. Whose products are not subject to fashion changes and physical deterioration but are durable.

3.10.1 Despite these features, this channel suffers from certain limitations also but not confined to the following only:

- (i) An over-dependence on wholesalers causes him/her i.e., the producer to lose contact with the dealers:
- (ii) The wholesalers may have different products of different producers to sell. In such case, the wholesaler might be quiet unable to push up the sales of one specific product produced by a producer.

Chapter IV
KSE- A profile

CHAPTER IV

KSE LTD- A PROFILE

4.1 Industry profile

The animal feed is produced in more than 130 countries globally. Different species are reared across these countries for various purposes including meat, milk, protein etc. Feed is considered to be a major component of the animal rearing as it adds significant cost to the production system. Type of feed production varies across various regions and largely depends on the animal population and their economic importance in the region. Feed requirement of the animals also vary with the purpose of rearing it, including meat, egg and milk production. The industry makes a significant contribution to the economic and nutritional well-being of millions of people globally. Increase in consumption of animal meat, growing demand for other livestock products and an increase in oilseed production factors are driving the global animal feed industry. . USA, China, India and Mexico are the leading producers of ruminant feed owing to high milk & meat demand and presence of a significantly large number of cattle and other ruminants. India has the largest population of bovine animals and is the largest milk producer in the world. Green fodder, dry fodder and concentrate feeds are the major components of the ruminants' diet.

In Dairy industry, feed can be categorized into two broad sectors - fodder and forage. Fodder includes hay, straw, silage, compressed and pelleted feeds, oils and mixed rations and sprouted grains and legumes. Forage is plant material (mainly plant leaves and stems) eaten by grazing livestock. Household food residues and the by-products of food processing industries constitute the traditional sources of animal feed. Compound feed is blended from various raw materials and additives and are available in the form of pellets or crumbles. The key ingredients used in compounded feeds are the feed grains, which include corn, soybeans, sorghum, oats, barley and premixes

According to National Dairy Development Board (NDDB), the livestock feeding systems in India is categorized into six major types:

1. Dry Fodder + Compound Feed + Concentrate Feed

2. Dry Fodder + Green Fodder + Compound Feed + Concentrate Feed
3. Dry Fodder + Homemade Concentrate Mix + Grazing
4. Green Fodder + Compound Feed + Concentrate Feed
5. Silage + Dry Fodder + Concentrate Feed
6. Silage + Compound Feed + Concentrate Feed

Feed manufacturing on a commercial and scientific basis started around 1965 with the setting up of medium-sized feed plants in northern and western India. Feed was produced mainly to cater to the needs of dairy cattle. Worldwide, India is number one in milk production, at 78.0 million tonnes *per annum*, and the dairy industry is spread across the whole country. India has one of the largest populations of cattle and buffalo in the world. In a total of 288 million head, there are 10 million cross-bred cows, 15 million good milk cows of local varieties and 36 million buffaloes of good milch varieties. The remainder of the cattle population is of a non-descript variety and a sizeable proportion consists of bullocks.

The cross-bred population is either Jersey or Holstein-Friesian, crossed with local cows. Cross-breeding was a natural solution to upgrading the milk yield in the absence of high-value imported varieties of pure-bred animals. The buffalo breeds are unique to India, and produce milk with a fat content of 7 to 8 percent.

Milk is seen as a health drink and a variety of Indian sweets are prepared from milk. The ice-cream market is growing.

Farms are located on the outskirts of cities and within cities. Almost all villages have a number of cattle, but there are only a few organized dairy farms. In India, dairy is not so much an industry as a smallholder farming activity.

Growth in the milk sector has occurred mainly through cooperative efforts. Cooperatives started by supplying milk collection centres, where milk was collected from villagers in quantities as small as 1 litre, and gradually started to provide other services to farmers, including education, artificial insemination, veterinary health support and feeding. The small farmers became prosperous, loan facilities were made available through banks, and member farmers started to share the profits from cooperatives. Cooperatives also set up their own modern computerized feed plants. They have modern milk processing plants from which they produce and market

pasteurized milk, butter, butter oil, chocolate, ice-cream and milk sweets, which are very popular with Indian consumers. Today, the feed production from cooperatives is about 0.6 million tons per year.

The National Dairy Development Board (NDDB), which has excellent facilities for research on breeding, nutrition and health care, has played a pivotal role in setting up cooperatives. Without NDDB and several of the existing dairy cooperatives, the milk sector in India would have suffered.

The dairy industry in India is expected to grow, but growth will be restricted to individual small farmers. It is unlikely that India will see the advent of large, organized dairy farming in the near future.

Meat-meal, fishmeal, bone-meal and dicalcium phosphate of bone origin are the common raw materials available for animal feeding. It is interesting to note that, with the exception of some bone-based dicalcium phosphate, the Indian feed industry does not use materials of animal origin in dairy cattle feed. This was not out of fear of any zoonotic problems but the result of deep-rooted beliefs that the cow is sacred and must therefore be vegetarian. Now even the use of bone-based dicalcium phosphate has been banned and mineral-based dicalcium phosphate is used instead. Cattle feed is necessarily enriched with vitamins A and D₃, and trace minerals such as iron, zinc, manganese, copper, cobalt and iodine. Calcium and phosphorus are also included. Feed additives and supplements have played a very important role in enhancing the performance of dairy animals. Today they are necessary in any feed formulation and essential for the formulation of a balanced diet. The additives and supplements used are antibiotic growth promoters (their usage is not banned in India), prebiotics, probiotics, enzymes, mould inhibitors, toxin binders, anti-coccidial supplements, acidifiers, amino acids, by-pass fat, by-pass protein, non-antibiotic growth promoters, milk boosters, antioxidants, feed flavours and herbal preparations of Indian origin. A number of these products are imported from developed countries.

Cattle feeding practices are very traditional. Farmers choose their own ingredients and prepare their own formulations, believing that by these means they are able to pay more individual attention to their cattle. The productivity of the cattle is limited because of their poor genetic make-up, so high-quality compound feed (industry feed) may not necessarily generate a significant improvement in productivity and this has hampered growth of the cattle feed industry

because most farmers are reluctant to use compound feed fully. Instead they compromise by using such feed in proportions of 5 to 60 percent, making up the balance with their own formulations. It is only in the case of highly productive animals that compound feed has been able to show its real potential and the importance of technology has been demonstrated.

The share of compound cattle feed manufactured by the industry, in relation to the overall potential, is low for the following reasons:

- The cattle population is fragmented and spread over large parts of the country. Farmers' low level of education and strong traditional beliefs mean that there is generally little awareness of compound cattle feed.
- More than 50 percent of the country's total milk production comes from a very large number of low-yielding cows and buffaloes. A further 25 percent of milk production comes from buffaloes and only the remaining 25 percent of the total is produced by cross-bred and improved cows.
- Industrially manufactured compound cattle feed has proved its value for cross-bred cows and buffaloes but not for low-yielding cattle because of their genetic limitations. Home-mixed feed is very frequently used for buffaloes and low-yielding cattle.

BIS has produced guideline feed standards and the industry also has its own guidelines. Currently there is no compulsion to use BIS standards, but the central government has been advising states to introduce their own regulatory standards. The industry, however, is resisting this move. One of the major reasons for opposition is that the government wants to legislate regulation under the Essential Commodities Act 1955 which is considered draconian and totally inappropriate in this context.

There is no shortage of compound animal feeds anywhere in the country. In fact, the organized sector of the compound feed industry is facing serious problems resulting from a huge idle capacity, to the extent of 50 percent or more. New capacities are being added by global players in the feed business and by national as well as multinational integrators. The nature of animal feeds and the animal feed industry has completely changed.

Increasingly, products, including new products, are being excluded from the purview of the Essential Commodities Act 1955. Major raw materials for compound animal feeds, such as groundnut, soybean, rapeseed and sunflower meals and cottonseed and rice bran extract, which

are exported, are not covered by the Act. There is therefore no reason for it to cover the animal feed manufactured with these raw materials.

Furthermore, the industry has several reservations about implementing BIS standards. There is a lack of flexibility in these standards and they are lagging far behind the industry's products. For cattle, they have not been revised for 30 years, while the BIS standards for poultry are obsolete.

Another feed standards issue that worries both the government and industry is that any changes to existing standards will be slow and difficult to arrive at because of participative conflicts and various lobbying groups. However, the industry's principal concern about compulsory standards is that they will disturb efforts to innovate and upgrade feed production in order to improve the productivity of the animals. This is because all innovations would have to be passed by BIS, and such a process is likely to take several years to complete.

Indian animal feed market is one of the largest and fastest growing market world over. Presently, the industry is highly fragmented and primarily catering to cattle and poultry feed. India is one of the largest and fastest growing compound feed markets in the world. Feed manufacturing on a commercial and scientific basis started around 1965 in India with the setting up of medium-sized feed plants in northern and western India. Feed was produced mainly to cater to the needs of dairy cattle. The poultry sector was not developed at that time and was restricted to backyard production, with the desi (or native bird) kept mainly for the production of eggs. The Indian feed industry is undergoing a very exciting phase of growth for the next decade. Indian feed industry is presently growing at a CAGR of 8 percent. Major domestic industry players operating in the Indian animal feed market include Godrej Agrovet, Amrit Feeds Ltd., Uttara Foods & Feeds Pvt. Ltd. (VH Group), Avanti Feeds Limited, Avitech Nutrition Pvt. Ltd., among others. These players are profiled herein based on attributes such as business overview, product segments and financial analysis. It also compiles performance comparison of aforementioned companies and other leading companies in the segment based on various parameters in the competitive landscape section. In totality, the report provides detailed market analysis, with relevant forecasted data supported by key market dynamics. The concept of branded cattle feed as a packaged commodity, though not a very recent concept, is gaining popularity in India too. The packaged feed, as a product, possesses special features like hygiene, quality, convenience to handle, etc. to its advantage. Farmer community in India has started using such products. The age old feeding pattern practiced in India is a mix consisting of green grass, dry grass, cotton

seed cake, coconut cake, rice bran etc. But, as time elapsed, due to both environmental and social changes, there has been gradual shift from the age-old pattern to Compounded Cattle Feed (CCF). The major contributing factors for this shift are: (i) Shrinkage of open land for cattle grazing, urbanization and resultant shortage of conventionally used cattle feeds, (ii) Need for specialized feeds arising from the use of high yield cattle, (iii) Marked shift in eating habits of people because of urbanization, with an increased intake of milk and other cattle-based products etc.

4.2 Organizational profile

4.2.1 Introduction

KSE Limited is an India-based company, which is engaged in the manufacturing of compound cattle feed. The company is also engaged in the extraction of oil from copra cake by solvent extraction process and refining the same to edible grade and in dairying, including ice cream. The company operates through three segments, which include Animal Feed Division, Oil Cake Processing Division and Dairy Division. Its Dairy Division consists of milk and milk products, including ice cream. It offers ice cream under the brand name, VESTA. The company is engaged in the field of milk procurement, processing and marketing of liquid milk and milk products. Its milk products include KS Milk and KS Curd. Its cattle feed products include K.S Supreme pellet, K.S Deluxe plus pellet and K.S Super. The company also offers products, including K.S PAAL and KS Ghee. The company's manufacturing units include Swaminathapuram, Vedagiri, Palakkad, Koratty, Konikkara and Thalayuthu.

About KSE

It was in 1963 that Kerala Solvent Extractions Ltd, now known as KSE Ltd, entered the Solvent Extraction Industry, setting up the very first solvent extraction plant in Kerala. The solvent extraction plant went on stream in 1972 and in 1976, a new plant was set up to manufacture ready mixed cattle feed. KSE Limited is a public limited company with around 4500 shareholders. The shares are listed in Bombay Stock Exchange (BSE) We are the largest manufacturer of compound cattle feed in private sector in the country. The last three decades have seen KSE emerging as a leader in solvent extraction and

ready mixed cattle feed in the country. Today KSE commands the resources, expertise and infrastructure to manufacture a range of livestock feed in high volumes, coconut oil from coconut oil cake and refined edible oil.

KSE has also entered in the field of milk procurement and processing. KS Milk, KS Ghee and Vesta Ice Cream have become popular in many districts in Kerala. Drive by a commitment to high standards of quality, KSE has not only won customer confidence but also national recognition through several awards and accolades.

With modern manufacturing facilities spread over three states, KSE caters to the vast belt stretching across Southern India. Since the early days, KSE has endeavored to supply its products to customers through an extensive network of dealers and retailers which form a dedicated force behind the success of KSE. It is a matter of pride that KSE is a household name today. With a strong commitment to customers and product quality and being cost competitive, KSE stands poised to meet new challenges.

4.2.1.1 Growth chronicle

1	1963	Registered as a Company named KERALA SOLVENT EXTRACTION LIMITED
2	1972	The company started a Solvent Extraction Plant with a capacity of 40 MTS per day.
3	1976	A new Ready Mixed Cattle Feed Plant with a production capacity of 50 MTS started in Irinjalakuda
4	1979	Production capacity of Cattle Feed plant in Irinjalakuda increased to 60 MTS per day.
5	1980	Solvent Extraction plant capacity in Irinjalakuda increased to 60 MTS per day
6	1983	A production capacity of 120 MTS per day fully automatic new Cattle Feed Plant started in Irinjalakuda
7	1984	Solvent Extraction plant capacity in Irinjalakuda increased to 80 MTS per day.

8	1987	Production capacity of Cattle feed plant in Irinjalakuda increased to 180 MTS per day.
9	1988	New cattle feed plant with a production capacity of 100 MTS per day started in Swaminathapuram, Tamilnadu.
10	1989	Production capacity of cattle feed plant in Swaminathapuram Unit increased to 120 MTS per day. A new solvent extraction plant commissioned at Swaminathapuram, Tamilnadu.
11	1990	Production capacity of cattle feed plant in Swaminathapuram unit increased to 150 MTS per day
12	1994	Production capacity of cattle feed plant in Swaminathapuram unit increased to 180. A new feed supplement for cattle named as Keyes Forte introduced Company listed its shares in stock exchanges of Cochin, Chennai, & Mumbai.
13	1995	A new godown in Calicut opened
14	1996	A new cattle feed plant with a production capacity of 240 MITS per day started in Vedagiri, Kottayam district. Company's name of KERALA SOLVENT EXTRACTIONS LTD., changed to "KSE LIMITED"
15	1998	New cattle feed plant with a production capacity of 240 MTS per day started in Palakkad district. As a silver jubilee gift company offered to the public a Children's park & Information centre
16	2000	Company started production and marketing of Pasteurized Milk and milk products from Konikkara and Thalayuthu. As per the offer to the public, company opened the KS PARK & INFORMATION CENTRE
17	2002	Production capacity of cattle feed plant in Irinjalakuda increased to 195 MTS per day. Company's diary product of ice cream named "VESTA" launched
18	2003	Production capacity of cattle feed plant in Swaminathapuram unit to 195 MTS per day. Started production in a leased plant at Edayar, Kalamassery
19	2004	Acquired land at Kinfra park, Koratty for a new solvent extraction plant & a physical oil refining plant. ISO 9001: 2008 certifications received
20	2005	Production capacity of cattle feed plant in Irinjalakuda increased to 210 MTS per day. Purchased land at Mysore for a new plant. ISO 9001:2008

		certification received for Swaminathapuram & Vedagiri units.
21	2006	A new solvent extraction plant with a capacity of 200 TPD & a new physical oil refining plant with a capacity of 100 TPD commissioned at Kinfra park, Koratty. Solvent plant at Irinjalakuda dismantled.
22	2008	Ice cream production unit commissioned at Thalayathu Tamilnadu.
23	2009	Production capacity of cattle feed plant in Swaminathapuram unit increased to 200 MTS per day. Commissioned 500 TPD fully state of the Art German Technology Animal Feed plant at Irinjalakuda.
24	2010	Ice cream production unit commissioned at Vedagiri, Kottayam
25	2012	Started production in a leased plant at Kochuveli, Trivandrum
26	2013	Feed supplement named GORASAM introduced.
27	2014	Cattle feed production capacity of old plant at Irinjalakuda unit increased to 225 MTS per day. Production capacity of cattle feed plant in Palakkad unit increased to 120 MTS per day.
28	2015	Production capacity of cattle feed plant in Swaminathapuram unit increased to 225 MTS per day
29	2017	Wind mill project inaugurated in Tamilnadu & Production started on 25/03/2017
30		

4.2.2 Board of directors

DR.JOSE PAUL THALIYATH	CHAIRMAN
A.P.GEORGE	MANAGING DIRECTOR
M.P.JACKSON	EXECUTIVE DIRECTOR
P.D.ANTO	DIRECTOR
DR.K.C.VIJAYARAGHAVAN	DIRECTOR
K.PAUL FRANCIS	DIRECTOR
T.R.REGHULAL	DIRECTOR
JOSEPH XAVIER	INDEPENDENT DIRECTOR
MRS.SATHI.A.MENON	INDEPENDENT DIRECTOR

PAUL JOHN	INDEPENDENT DIRECTOR
MARYKUTTY VARGHESE	CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

4.2.3 Administrative managers

M. ANIL	GENERAL CHARGE	MANAGER	IN
R.SANKARANARAYANAN	GENERAL CHARGE	MANAGER	IN

4.2.4 Awards and recognitions

- The solvent extractors association of India-SEA award for highest processor of coconut cake in India, since institution of the award continuously for 27 years including 2015-16.
- Best productivity performance in India award from national productivity council continuously for 11 years 1996-97 to 2005-06.
- Kerala state productivity council award.
- Top cattle feed award for aflatoxin free feed from the Indian association of veterinary pathologists (ia vp) and Kerala agricultural university.
- Tamilnadu productivity council safety award.
- Animal nutrition society of India award for company's contributions for propagation of balanced compound livestock feed in India.
- Industry excellence award from the Indian society for the study of animal reproduction for the year 2011.
- Entrepreneur award from the college of veterinary and animal sciences.
- Fact mkk nayar memorial productivity awards.
- Winner of SEA national award and state productivity and safety awards for many years.
- First ranker in mixed cattle feed production in India.

- No.1 in processing coconut oil cake through solvent in

4.2.5 Units in Kerala

Irinjalakuda unit: 500+ 225 725 MTS	The company registered in 1963 and started production in its solvent extraction plant in 1972 in Kakkathuruthy road, Irinjalakuda with a capacity of 40 MTS per day. It was the first solvent extraction plant in Kerala spread over 15 acres. It was here that KSE set up its first cattle feed plant in 1976 with a capacity of 50 MTS per day. The process of computerization in plant and office was initiated way back in 1987. In 1994 KSE listed its shares in stock exchanges of Cochin, Chennai, & Mumbai. An ISO 9001:2008 Certification also we got in 2004. A fully Automatic German Technology Cattle Feed Plant Commissioned in Irinjalakuda in 2009. Now the total capacity of the Plant is 725 MTS per day
Vedagiri unit:(240 MTS)	The Third cattle feed plant of the company with a daily production capacity of 240 MTS started operation at Vedagiri near Ettumanoor in Kottayam district, in March 1996. The total area is about 10 acres. This Rs.6 crores project, fully financed from internal resources, was formally inaugurated on 17th August, 1996.
Palakkad unit: (120 MTS)	This is the 4th cattle feed plant of the company with a daily production capacity of 120 MTS per day. The products from this unit are marketed in the districts of Palakkad, Malappuram and part of Calicut.
Edayar unit(200MTS)	It is situated in Ernakulam district near. This is a Lease unit having a capacity of 200 MTS per day
Kochuveli unit: (200 MTS)	It is in Trivandrum district having a capacity of 200 MTS per day
Koratty unit	It is in Kinfra Small Industrial Park, Trichur district with 200 TPD Solvent Extraction Plant and 100 TPD physical Refining plant with a capacity outlay of Rs.14 crores for refining vegetable oils. Solvent

Extracted Coconut oil is refined in the plant and made edible.
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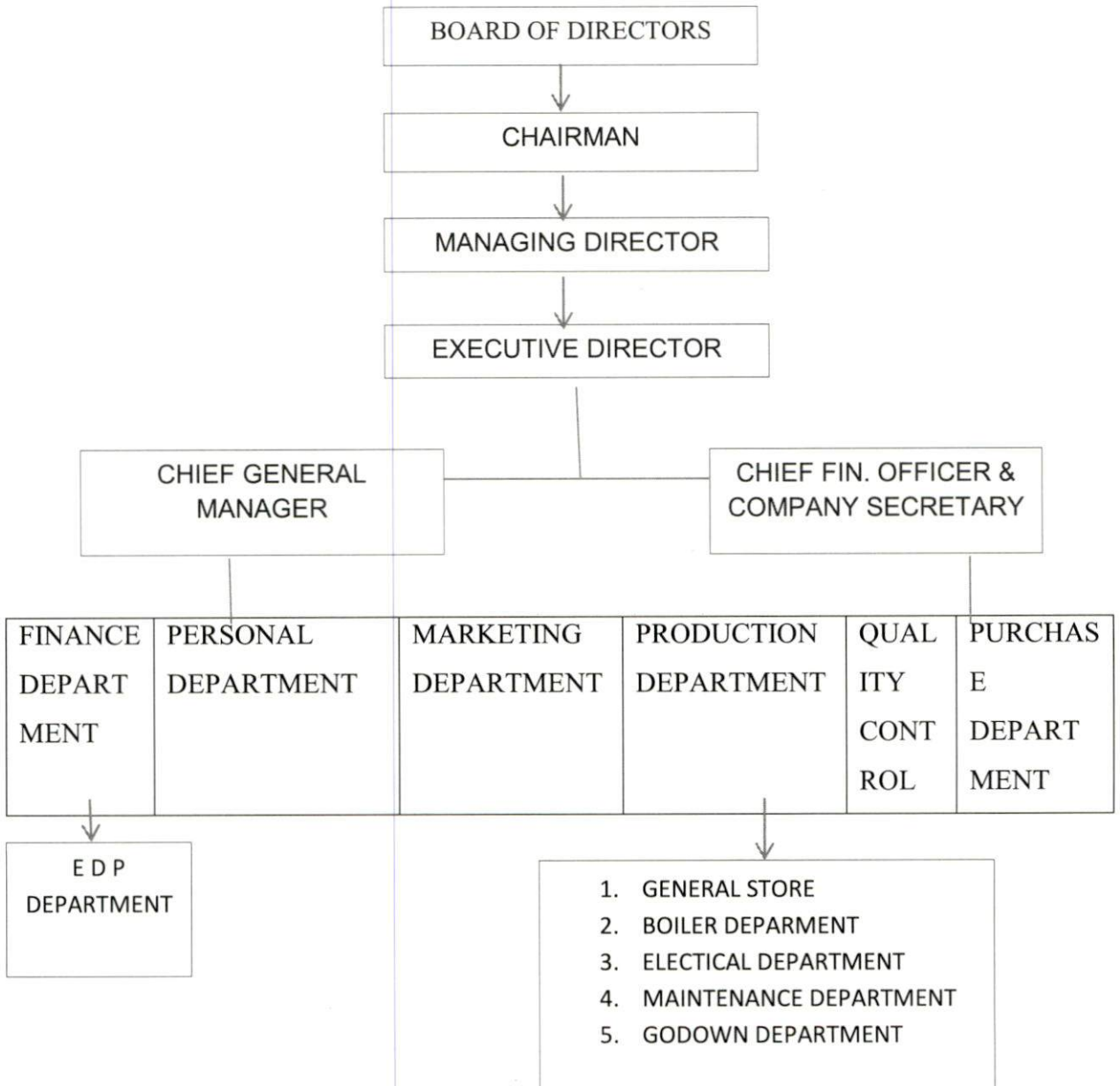
4.2.5.1 Dairy units

Konikkara unit	KSE limited has entered in Dairy field in 2000 and starting the work of Milk procurements processing and Marketing of Liquid milk and milk products. The products of K S PAAL, K S GHEE, CURD, and BUTTER MILK have already become popular in Trichur and Ernakulam, Malappuram and Alleppy districts Ice cream under the name of "VESTA" was launched during 2002 and have conquered the Kerala market
Vadagiri unit	To meet the ice cream demands of Kottayam district, a new ice cream plant was started in 2010 near to cattle feed plant premises and started all Dairy products.

4.2.5.2 Units in Tamilnadu

Swaminathapuram unit: (240 MTS)	Sale of K S cattle feed in selected markets in Tamilnadu was started as early as 1984. To enable the company to extend its products and services to whole of Tamilnadu, a new production unit was set up at Swaminathapuram in Dindigul district of Tamilnadu in 1988. A solvent extraction plant was also started in 1989. Spread out on 22 acres of land on the banks of river Amaravathi, this Rs.3.5 crores plant works round the clock. Keynes forte s also manufactured at this unit. A model dairy farm with high yielding animals is also maintained in the unit for conducting feeding trails and other experiments. Now the total capacity of the plant is 240 MTS per day.
Thalayuthu unit (dairy)	To meet the ice cream demands of Tamilnadu area, a new ice cream plant was started in the year 2000 in Thalayuthu, near Palani, and started Milk procurement and processing of milk. In 2008 ice cream production also started

4.2.6 Organization chart



4.3 Department profile

In KSE Ltd the work activities that are similar and logically connected are groups to form departments. At present there are six departments in the organization. They are as follows:

1. FINANCE DEPARTMENT
2. PERSONNEL DEPARTMENT
3. MARKETING DEPARTMENT
4. PRODUCTION DEPARTMENT
5. QUALITY CONTROL
6. PURCHASE DEPARTMENT

4.3.1 Finance department

The activities expected from a finance department cover a wide range from basic book keeping to providing information's to assisting managers in making strategic decisions. At the base level, the finance department will be responsible for all the day to day transactional accounting for the business. This will include the tracking of all transactions and the management of any government reporting. In very small owner-managed business this role is often filled by a family member with accounting experience. An outside accounting firm is usually used for annual financial statements and returns. In larger organizations this role will extend right through to preparing the financial statements with an external auditor engaged for assurance purposes. The finance department is also responsible for management of the organizations cash flow and ensuring there are enough funds available to meet the day to day payments. This area also encompasses the credit and collections policies for the company's customers, to ensure the organization is paid on time, and that there is a payment policy for the company's suppliers. In most organizations there will be some form of forecast prepared on a regular basis to systematically calculate the ongoing cash needs. Finance department handles company's monetary transactions. The finance department has a team of professionals which regularly review the company's practice and converts personal skill in to efforts to continually improve the financial statement of the company. Through effective management practices and creative ideas, financial department team strives to build a working environment that enable to use financial resources and capabilities to serve customers better. The finance department staff shares the company's dedication to customer satisfaction.

4.3.1.1 Functions of Finance Department

- Maintain salary records.
- Monthly accounting of invoices.
- Payments of bills to the vendors as per the bill of materials.
- Providing discounts to the purchase of the products.
- Taking loan from the banks for facilitating the flow of work in the organization.
- Making correction in the price of the product.
- Preparing financial statements and Balance sheet.

4.3.1.2 Structure of Finance Department

- ✓ Chief Financial Officer & Company Secretary
- ✓ Manager (Internal Audit)
- ✓ Asst. Accounts Manager
- ✓ Senior Accounts Executive
- ✓ Accounts Executive
- ✓ Accounts Officer
- ✓ Junior Accounts Officer
- ✓ Senior Assistant
- ✓ Office Assistant
- ✓ Clerk

4.3.1.3 Books of Accounts

- Day Book
- Sales Register
- Purchase Register
- Raw materials Stock Register
- Salary and Wage Payment Register

- Finished goods stock Register
- Cheque outward Register
- Provident fund Register
- Fixed deposit Register

4.3.2 Personnel department

Labor is an important element of business. An effective utilization of labor will help the company must provide more facilities and benefits to labor, Personnel management is concerned with increasing the effectiveness of human performance in real sense. It is concerned with the optimum use of resources in an effective manner to achieve the organizational goal. In KSE Ltd, human resources as considered as the important asset of the company. The major portion of workers is located in non-managerial works and others are in managerial work. Human Resource development is a framework for the expansion of human capital within an organization or in a municipality, region or in nation. HRD is a combination of training and education, in a board context of adequate health and employment of policies that ensure the continual improvement and growth of the individual, the organization and then national human fullness

4.3.2.1 Functions

- Organization human resources planning and development.
- Retirement and selection
- Wages and salary administration
- Employee records maintaining
- Performance appraisal
- Welfare program
- Job evaluation
- Handling employee grievances
- Handling the legal issued within and outside the organization

4.3.2.2 Personnel Department structure

1. Chief Personnel manager

2. Personnel Executive .
3. Junior Officer (Personnel)
4. Security Supervisor
5. Security Guards
6. Peons

Employee Strength

The Company totally has nearly 500 employees.

Managerial employees: 75

Non-Managerial employees: 425

Time Schedule of Work

Office time: 9.00am to 5.00pm

Shifts of Non-managerial employees: 6.40 -2.00, 2.00 10.00, 10.00 -6.00, 8.00-4.00, 4.00 12.00, 12.00-8.00

Allowances for Workers

Bonus: With every festival, like Onam, Vishu, etc

Other Allowances: PF, Gratuity, Travelling allowances, etc.

4.3.3 Quality control

KSE Ltd believes qualities of product are important in the customer satisfaction. Their commitment to quality starts right from the procurement of raw materials and continues till the final products are packed for delivery. The ultimate objective of KSE LTD is to bring continuous development by incorporating the latest technology that helps us in achieving better quality.

Our incomparable state-of-the-art infrastructure consists of well-equipped and high- tech plants to cater to the increased demand of our products. Our range of products is tested and quality checked by our in house labs provided with latest state of the art equipment. We have in-house

facilities for bulk packing to small packing and all the operations are performed in dust free and hygienic conditions.

We believe in competing with ourselves and this encourages us to increase our manufacturing potentials and to augment them from time to time. We are a customer driven company and aim to achieve "total client satisfaction" through timely delivery right quality and competitive prices of the products.

4.3.3.1 Quality Control structure

- Nutritionist
- Asst. Manager(Quality Control)
- Executive(Quality Control)
- Junior Officer(Lab)
- Lab Assistant.

4.3.4 Purchase department

Purchase department also known as Material department. This material department concerned with both raw materials and finished goods. In KSE LTD use to purchase raw materials needed from the distributors. The company purchase Choram, maize, coffee husk, tamarind powder, Molasses's, cotton seed cake, rape seed cake, Ground nut cake, C N Cake powder etc. from different suppliers from inside and outside of India. They consider mainly quality and availability of the materials.

The company keeps purchase register and day book perfectly. The batch number, serial number and data are noted while these materials, the materials are used the production is from stores. When the stock of each material reaches reorder level, a purchase order is given to the firm which the materials are purchased. In the company materials control divided in to three sections are purchase section, store section and dispatch section. All these sections contribute the material control department; the purchase section deals not only raw materials also packing material and miscellaneous. The purchase manager gets the full freedom to take decisions. In every organization purchase department is very necessary. Actually purchase department is considering as the primary department in any organization, because the raw materials, that are needed to our

production function is provided only through purchase department. Mainly these departments purchase the raw materials, packing materials processing material and other miscellaneous item. This department will help to ensure that purchased products are met specified use by implementing proper inspection and test activities by quality control department. The function of the purchase department was the supply of right material of right quantity in right time at right place.

The purchase department puts almost care in the purchase of raw materials. Many of the materials are the agricultural products and re seasonal in availability. The prices of raw material fluctuate with the seasonal times as well as with off- season, the price of coffee husk, cholam, Tamarind, Rape Seed, Ground nut, etc. show different with seasonal change.

4.3.4.1 Functions of Purchase Department

- ✓ Procurement of stores through indigenous and foreign sources as required in accordance with the rules in force
- ✓ Checking of requisition or purchase indents
- ✓ Selection of suppliers for issue of enquires
- ✓ Issuing enquiries or tenders and obtaining quotations.
- ✓ Analyzing quotations and bids etc., and preparation of comparative statement
- ✓ Consultation with the indenter for selection and approval of quotations and with Accounts Officer for pre-audit.

4.3.4.2 Objectives of Purchase Department

- The main objective of Purchase department is ensuring the supply right quantity and right Quality of materials at right time and right place.
- Right time will increase the delivery rating of the material.
- Right quantity materials increase the quantity of the material Maintains the right price difference
- Ensuring mutually beneficial supplier relationship.

4.3.4.3 Structure of Purchase Department

- Asst. General Manager (Purchase)

- Assistant Manager (Purchase).
- Senior Purchase Executive.
- Purchase Executive
- Purchase Officer
- Junior Purchase Officer
- Senior Assistant
- Office Assistant
- Clerk
- Junior Purchase Supervisor
- Senior Purchase Assistant.

4.3.4.4 Mode of Purchase

Here KSE LTD purchase raw materials are bulk with and demand. The materials like Cotton seed, Rape seed, Ground nut, Tamarind, Coffee husk, etc., will purchase, when the price become low, and stored on warehouse with proper method.

4.3.5 Marketing department

The Marketing Department works with Internal or External product development teams to develop new products or improve existing ones. The department analyses sales of existing products and identifies gaps in the product range where there may be opportunities for the company. Marketing employees provide development teams with information on customer needs and preferences to help them identify the features or improvements to incorporate in new products. Later in the product development process, the marketing department sets prices and prepares plans to launch the product. Marketing departments plan campaigns and develop communications material to promote products and services to customers and prospects. Depending on their available budgets, they may plan advertising campaigns, develop e-mail marketing programs, create promotional content for the company website, write press releases or product publications, such as product leaflets, company brochures, product data sheets or customers newsletters. They may write and design the promotional material if they have skills within the department or they may appoint advertising agencies firms to produce the work.

Cooperation between the sales and marketing departments can improve sales performance and speed up business growth. The marketing department can provide sales teams with high-quality leads by running advertisements that include a reply mechanism, such as a coupon or telephone number, or by encouraging visitors to the company website to register their in return for a free newsletter or special report. Marketing also prepares presentations for the sales team and supplies them with stocks of promotional materials to give to customers and prospects. It also helps them understand competitors' strengths and weakness so they can take action to protect business with existing customers or win business weaker competitor. The Marketing department reaches agreement on strategy with the board or senior management team before planning campaigns in detail.

4.3.5.1 Structure of Marketing Department

- ❖ Asst. General Manager (Marketing)
- ❖ Manager (Sales)
- ❖ Senior Sales Executive
- ❖ Sales Executive
- ❖ Sales Officer
- ❖ Junior Sales Officer
- ❖ Senior Assistant
- ❖ Office Assistant
- ❖ Clerk
- ❖ Senior Sales Supervisor
- ❖ Sales Supervisors
- ❖ Sales Representatives

4.3.5.2 Role of Marketing Department

The Marketing department must act as a guide and lead the company's other departments in developing, producing, fulfilling, and servicing products or services for their customers. Communication is vital. The Marketing department typically has a better understanding of the market and customer needs, but should not act independently of product development or

customer service. Marketing should be involved, and there should be a meeting of the minds, whenever discussions are held regarding new product development or any customer-related function of the company.

Don't get the idea that Marketing should make these plans and recommendations alone. It is very important that the marketing department get input from many people within the company. Not only does providing input help the rest of the company understand and support the marketing efforts, it also provides some invaluable insights into what and new ideas that may have slipped past the rest of the company. For example, your service technicians and your customer's service reps will have great insights into customer's opinions and needs. Get everyone involved and you'll have a more cohesive effort.

4.3.5.3 Duties of marketing manager

- ✦ Managing all marketing for the company and services within the Marketing department.
- ✦ Developing the marketing strategy for the company in line with company objectives
- ✦ Coordinating marketing campaigns with sales activities.
- ✦ Overseeing the company's marketing budget
- ✦ Creation and publication of all marketing materials in line with marketing plans
- ✦ Planning and implementing promotional campaigns
- ✦ Manage and improve lead generation campaigns, measuring results
- ✦ Overall responsibility for brand management and corporate identity
- ✦ Preparing online and print marketing campaigns
- ✦ Monitor and report on effectiveness of marketing communication.
- ✦ Creating a wide range of different marketing materials
- ✦ Working closely with design agencies and assisting with assisting with new product launches
- ✦ Maintain effective internal communications to ensure that all relevant company functions are kept informed of marketing objectives.
- ✦ Analyzing potential strategic partner relationships for company marketing

4.3.6 Production department

Production is the process of which raw materials and materials and other inputs are converted in to the finished goods. Supreme production units' high quality products which undergo various quality test. Also advanced technology is used for producing goods. In this department manual and machine operations are performed to concrete the row materials into finished goods. In production department a good layout is maintained. Layout involves the allocation of space and the arrangement of equipment in such a manner that the overall operating costs are minimized. The materials are transferred through a service of operations arranged in ordered sequences. Production department is one of the important departments in the firm because without production no company can exit. The production is run under the control of production manager. For controlling the production it has to increase the production through better utilization of raw materials and thereby decreasing the cost of production. These important activities are done under the leadership of production manager.

Production simply means generation of goods and services to satisfy needs. It involves of input into output. Maximum utilization resources and reduce cost of production is the two main objective of production department.

4.3.6.1 Structure of Production Department

- ✓ Asst. General Manger(Operation)
- ✓ Asst. Manager (Production)
- ✓ Senior shift Engineer
- ✓ Shift Manager
- ✓ Junior Manager(Technical)
- ✓ Junior Officer(Electronics)
- ✓ Godown Clerk
- ✓ Talley Clerk
- ✓ Senior Godown Assistant
- ✓ Junior Godown Assistant
- ✓ Godown Assistant
- ✓ Senior Cattle Feed Plant Operator



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- ✓ Senior Boiler Operator
- ✓ Maintenance Fitter
- ✓ Solvent Plant Operator
- ✓ Cattle Feed Plant Operator
- ✓ Boiler Operator
- ✓ Assistant Operator
- ✓ Plant Attendant
- ✓ Electrician
- ✓ Store Assistant
- ✓ Apprentices

4.3.6.2 Functions of Production Department

- Planning daily production according to annual target.
- Submitting plan to government and getting approval.
- Monitoring actual production and checking any deviation is here.
- Making revision plans according to actual production.
- Ensure the maximum utilization of resources.

4.4 Product profile

The Company operates in three segments: Cattle Feed Division, Oil Cake processing division and Dairy Division comprising milk and milk products, including ice cream. The main products marketed by KSE Ltd are as follows:

4.4.1 Cattle feed

KSE's Cattle feed division is engaged in the production and marketing of cattle feed. KSE's cattle feed is largely made up of de-oiled rice bran cake, maize and de-oiled coconut cake. Some quantities of cotton seeds are added to make a balanced feed mixture. The company produces 7 types of cattle feed, 3 in mash form and 4 in pellet form. Today, KSE Ltd is predominantly a cattle feed producer with about 75% of its revenues in FY2014-15 coming from the sales of cattle feed. It has 5 modern cattle-feed factories and reported a sales volume of 440000 metric tons in FY2014-15.

4.4.1.1 Raw materials using for Cattle feed production

- Oiled rice bran
- De-oiled rice bran
- Cholan
- Cotton seed cake
- Rape seed cake
- Ground nut cake
- Maize
- C N cake powder
- Tamarind powder
- Coffee husk
- Molasses
- Salt
- Vitamins & Minerals

4.4.2 Cattle feed products

- Jersey copra cake
- K S Delux pellet
- K S Delux plus pellet
- K S Supreme pellet
- K S Premium pellet
- K S Forte
- Gorasam

4.4.3 Oil cake processing

KSE's oil cake processing division extracts coconut oil from cakes by using solvent extraction technology. The company operates 2 solvent extraction plants with a total capacity to process 90000 metric tons of coconut oil cake per annum. In FY2014-15, the volume of cake processed was 68500 tones that contributed 21% to the company's total revenues.

4.4.4 Dairy division

KSE started operation of its dairy division on 22 January 2000. The idea of diversified into dairy industry was the outcome of desire for forward integration of the cattle feed business of KSE Ltd. The company market a wide range of dairy products in the market, including toned milk , toned homogenized milk, ghee, curd, sambharam and ice cream (under brand name VESTA'). Its main operation is Thrissur and also some parts of Ernakulam and Malappuram.

4.4.5 Dairy Products

- ❖ K S Milk
- ❖ K S Ghee
- ❖ K S Curd
- ❖ KS Butter milk
- ❖ "Ice creams (VESTA)

Chapter V

*A study on the effectiveness of distribution
system of KS cattle feed in KSE ltd
Irinjalakuda - An Analysis*

CHAPTER V

A STUDY ON EFFECTIVENESS OF DISTRIBUTION CHANNEL OF KS CATTLE FEED IN KSE LTD- AN ANALYSIS

5.1 Introduction

Distribution Channels perform a crucial role in the successful distribution and marketing of all products. They have various contacts, expertise and wider knowledge of the products. The rapidly growing markets and increasing complexities of distribution have increased the demand and requirement of the distribution channels. Various marketing intermediaries are used in transferring the products from the hands of producers to the final consumers or industrial users. These marketing intermediaries carry alternate names such as wholesalers, distributors, retailers, franchised dealers, jobbers, authorized dealers and agents. Such marketing intermediaries compromise the distribution channel. These distribution channels minimize the gap between point of production and point of consumption, and thereby create place, time and possession utilities.

For the study of effectiveness of distribution channel of KS cattle feed, 80 respondents were selected, it includes 5 wholesalers, 25 retailers and 50 customers. The collected data were analyzed with the help of percentages and index method. For the construction of indices the respondents were asked to rate the statements representing the selected variables on a five point Likert scale viz highly satisfied, satisfied, no opinion, dissatisfied and highly dissatisfied with scores 5,4,3,2 and 1. The scores of all respondents for each variables summed upto arrived at total score. The total score thus obtained by each variable were then divided by maximum possible score to obtain the index of those variables.

Index for a statement is calculated using the formula

$$I = \frac{\text{Total score of the statement}}{\text{Maximum score}} \times 100$$

The index obtained were classified into

Index	Level of impact
>80	High
60-79	Good
40-59	Moderate
20-39	Poor
<20	Very poor

5.2 Wholesalers

5.2.1 Socio economic profile of the wholesalers

5.2.2 Analysis of wholesalers regarding the efficiency of distribution channel

5.3 Retailers

5.3.1 Socio economic profile of the retailers

5.3.2 Analysis of retailers regarding the efficiency of distribution channel

5.4 Customers

5.4.1 Socio economic profile of the customers

5.4.2 Analysis of customers regarding the Efficiency of distribution channel

5.2 Wholesalers

5.2.1 Socio economic profile of the wholesalers

To analyze the socio economic profile of the wholesalers of KSE, a reference group of 5 wholesalers were studied by administrating a pre- structured schedule

5.2.1.1 Gender wise classification of wholesalers

Sl No	Sex	Respondents(n=5)	Percentage
1	Male	4	80
2	Female	1	20
	Total	5	100

From the table 5.2.1.1 it is evident that majority that is eighty percent of wholesalers of KS cattle feed are male and only twenty percent of wholesalers are female.

5.2.1.2 Age wise classification of wholesalers

Sl No	Age	Respondents(n=5)	Percentage
1	<40	0	0
2	41-50	2	40
3	51-60	1	20
4	61-70	1	20
5	>71	1	20
	Total	5	100

From the table 5.2.1.2 it is clear that majority i.e. 40 percent wholesalers are in the age group of 41 to 50 years and rest of the age groups 51 to 60, 61 to 70 and above 71 years are having a percent of twenty each. Out of the sample nobody is in the age group of below 40 years. So it is clear that age group of wholesalers are ideal to build a long lasting relationship

5.2.1.3 Experience in wholesale business

Sl No	Time period	Respondents(n=5)	Percentage
1	<10	1	20
2	11-20	2	40
3	21-30	1	20
4	31-40	1	20
5	>41	0	0
	Total	5	100

From table 5.2.1.3 it is clear that forty percent of wholesalers are having wholesale for 11 to 20 years and out of the sample none of them having wholesale business of KS above 41 years. Rest of wholesalers having relationship with KSE for below 10 years, 21 to 30 years and 31 to 40 years are having a percent of twenty each.

5.2.1.4 Collaboration with KSE

Sl No	Time period	Respondents(n=5)	Percentage
1	<10	1	20
2	11-20	2	40
3	21-30	1	20
4	31-40	1	20
5	>41	0	0
	Total	5	100

From table 5.2.1.4 it is clear that forty percent of wholesalers are having wholesale business of KS cattle feed for 11 to 20 years and out of the sample none of them having wholesale business of KS above 41 years. Rest of wholesalers having relationship with KSE for below 10 years, 21 to 30 years and 31 to 40 years are having a percent of twenty each.

5.2.2 Analysis of wholesalers regarding the efficiency of distribution channel

Efficiency of distribution channel was assessed in terms following factors.

5.2.2.1 Reasons for adopting distribution of KS cattle feed

Sl No	Particulars	Strongly agree	Agree	Moderately agree	Disagree	Strongly disagree	Total
1	Sufficient Margin	0(0)	0(0)	1(20%)	3(60%)	1(20%)	5(100%)
2	Good Demand	3(60%)	2(40%)	0(0)	0(0)	0(0)	5(100%)
3	Relationship with company	3(60%)	2(40%)	0(0)	0(0)	0(0)	5(100%)
4	Better Quality	4(80%)	1(20%)	0(0)	0(0)	0(0)	5(100%)
5	Favorable Credit policy	0(0)	0(0)	0(0)	0(0)	5(100%)	5(100%)

From the table 5.2.2.1 it is evident that, eighty percent of respondents strongly agree that the reason behind the supply of KS cattle feed is because KSE provide better quality of cattle feed. Respondents are expecting favorable credit policies because; all the respondents are strongly disagreeing with the current credit policies of KSE. Respondents stated that the company is not providing sufficient margin to them, respondents are negatively agreeing with margin provided by the company. Looking on to other factors that is, demand and relationship with company, respondents are positively agreeing with the factors. KS cattle feed had high demand in the market.

5.2.2.2 Satisfaction level with KSE

Sl No	Particulars	Highly satisfied	Satisfied	No opinion	Dissatisfied	Highly dissatisfied	Total score	SI
1	Margin	0(0)	0(0)	2(40%)	2(40%)	1(20%)	11	44
2	Discount rate offered	0(0)	1(20%)	4(80%)	0(0)	0(0)	16	64
3	Services offered	1(20%)	4(80%)	0(0)	0(0)	0(0)	21	84
4	Company advertisement and promotional schemes	0(0)	0(0)	0(0)	4(80%)	1(20%)	9	36
5	Communication with company personnel	1(20%)	4(80%)	0(0)	0(0)	0(0)	21	84

From the table 5.2.2.2 it is clear that satisfaction index towards services provided by KSE and communication with company personnel is High. The satisfaction index towards discount rate is good and moderately satisfied towards margin provided to them. The satisfaction towards company advertisement and promotional schemes is poor.

5.2.2.3 Problems in availability of KS cattle feed at required quantity at required time

Sl no	Opinion	(n=5)	Percentage
1	Yes	0	0
2	No	5	100
	Total	5	100

The table 5.2.2.3 indicates that none of the respondents have problems in the availability of KS cattle feed. So that the wholesalers can easily avail the required quantity of products at required time

5.2.2.4 Orders from retailers in a month

Sl No	Number of orders	(n=5)	Percentage
1	4 to 5	4	80
2	More than 5	1	20
	Total	5	100

Table 5.2.2.4 indicates that Wholesalers used to get orders from retailers in definite pattern. Eighty percent of respondents stated that they are getting 4 to 5 orders in a month and only twenty percent of respondents are having more than 5 orders in a month.

5.2.2.5 Time required for deliver the order

Sl No	Time period	(n=5)	Percentage
1	Within one day	5	100
2	1-2 days	0	0
3	3-4 days	0	0
4	>5 days	0	0
	Total	5	100

From the table 5.2.2.5 it is evident that all the respondents stated that once an order is placed by the retailer, they deliver the order within one day. From this data it is clear that the maximum time taken to deliver the order is one day.

5.2.2.6 Taking back of expired products

Sl no	Opinion	(n=5)	Percentage
1	Yes	5	100
2	No	0	0
	Total	5	100

From the table 5.2.2.6 it is evident that wholesalers are making enough precautions to avoid the availability of the expired product at the shops. 100 percent of the respondents stated that they take back the expired products in time and inform it to the company.

5.2.2.7 Quality of product compared to other competing brands

Sl no	Statement	(n=25)	Percentage
1	Excellent	4	80
2	Very good	1	20
3	Good	0	0
4	Average	0	0
5	Poor	0	0
	Total	5	100

Table 5.2.2.7 indicates that Eighty percent of respondents stated that KS cattle feed is excellent in quality as compared to other competing brands. KSE provides enough quality products to satisfy their customers. Remaining twenty per cent of respondents have a very good opinion about the quality of KS cattle feed.

5.2.2.8 Wholesale of other brands

Sl No	Opinion	Respondents (n=5)	Percentage
	Yes	0	0
	No	5	100
	Total	5	100

From the table 5.2.2.8 it's clear that the respondents only have the wholesale of KS cattle feed. Wholesalers suggest KS cattle feed for getting maximum yield.

5.2.2.9 Expectation from KSE

Introducing effective promotional schemes are one of the most efficient ways to increase sales. All the wholesalers had told that they expect KSE to increase the promotional schemes and all other factors are good as compared. Company has to study and act on immediate.

5.3 Retailers

5.3.1 Socio economic profile of the retailers

To analyze the socio economic profile of the retailers of KSE, a reference group of 25 retailers were studied by administrating a pre- structured schedule.

5.3.1 Gender wise classification of retailers

Sl no	Gender	(n=25)	Percentage
1	Male	22	88
2	Female	3	12
	Total	25	100

As per the table 5.3.1 majority of the retailers are male, that is eighty eight percent of the retailers are male and only twelve percent of female retailers are there in the distribution channel of KS cattle feed.

5.3.2 Age wise classification of retailers

Sl No	Age	Respondents(n=25)	Percentage
1	<40	1	4
2	41-50	3	12
3	51-60	8	32
4	61-70	10	40
5	>71	3	12
	Total	25	100

From table 5.3.2 it is clear that majority that is forty percent of retailers are in the age group of 61 to 70. Thirty two percent are in the age group of 51 to 60. Respondents in the age group of 41 to 50 years and above 71 years are having a percent of twelve each. So it is very important to build up a good and lasting retailer relationship.

5.3.3 Collaboration with KSE

Sl No	Time period	Respondents(n=25)	Percentage
1	<10	2	8
2	11-20	7	28
3	21-30	12	48
4	31-40	4	16
5	>41	0	0
	Total	25	100

Table 5.3.3 shows the details about how long the respondents have been in retail business of KS cattle feed. Forty eight percent of respondents were in retail business of KS cattle feed for 21 to 30 years and twenty eight percent were in retail business of KS for about 11 to 20 years. Out the

sample none of them are having an experience above 41 years and only eight percent entered into retail business of KS cattle feed in the last ten years.

5.3.2 Analysis of retailers regarding the efficiency of distribution channel

Efficiency of distribution channel was assessed in terms following factors.

5.3.2.1 Reasons for association with KSE

SI No	Particulars	Strongly agree	Agree	Moderately agree	Disagree	Strongly disagree	Total
1	Margin	0(0)	5(20%)	15(60%)	5(20%)	0(0)	25
2	Demand	19(76%)	6(24%)	0(0)	0(0)	0(0)	25
3	Quality	21(84%)	4(16%)	0(0)	0(0)	0(0)	25
4	Wholesaler relationship	11(44%)	9(36%)	5(20%)	0(0)	0(0)	25
5	Credit policy	8(32%)	15(60%)	2(8%)	0(0)	0(0)	25
6	Promotional schemes	0(0)	0(0)	0(0)	20(80%)	5(20%)	25

Table 5.3.2.1 shows that the KSE provides enough quality of cattle feed, because eighty four percent of retailers strongly agree with the quality of KS cattle feed and one of the main reason for collaboration with KSE is because of their Quality. Looking on to the Demand of the product, it is seen that seventy six percent of retailers strongly agree that the reason behind association with KSE is because of its demand in the current market. Eighty percent of the retailers positively agree with the Wholesaler relationship that is the distributor's positive approach towards retailers is also a reason behind association with KSE. Retailers positively agree with the credit policies of wholesalers, it really help retailers to get stock and maximum sales, ninety two percent positively agree that credit policy is also a reason for association with KSE. Twenty percent negatively agree with the margin of the product. Sixty percent moderately agree with the

margin provided by the company. All the respondents stated that KSE have poor promotional schemes and they negatively agree with their promotional schemes.

5.3.2.2 Performance of the distribution system

Sl no	Statement	(n=25)	Percentage
1	Excellent	4	16
2	Very good	13	52
3	Good	8	32
4	Average	0	0
5	Poor	0	0
	Total	25	100

From the table 5.3.2.2 it is clear that, out of sample, fifty two percent of the respondents rated that distribution system followed by KS cattle feed is very good and thirty two percent of the respondents stated that the distribution system of KSE is good. According to sixteen percent the distribution system of KS cattle feed is excellent. That means retailers have a positive opinion towards the distribution system of KS cattle feed.

5.3.2.3 Satisfaction with margin, discount and service

Sl no	Particulars	Highly satisfied	Satisfied	No opinion	Dissatisfied	Highly dissatisfied	Total score	SI
1	Margin	0	8	13	4	0	79	63.2
2	Discount rate offered	0	6	11	8	0	73	58.4
3	Services offered	4	21	0	0	0	104	83.5

From this table 5.3.2.3 it is evident that satisfaction index scored above 80 percent is for the parameter services offered by KSE that means respondents are highly satisfied with the services

offered to them. Satisfaction level for margin offered is good; but retailers are moderately satisfied with the discount rate offered to them. Retailers are not happy with the discount rate offered to them.

5.3.2.4 Timely delivery of KSE

Sl no	Statement	(n=25)	Percentage
1	Excellent	20	80
2	Very good	5	20
3	Good	0	0
4	Average	0	0
5	Poor	0	0
	Total	25	100

Table 5.3.2.4 indicates timely delivery of KS cattle feed, eighty percent of the respondents rated that the timely delivery of KS cattle feed is excellent. The wholesalers deliver the products to their shop without any time lag and also the remaining twenty percent stated that they had a very good opinion towards the timely delivery of product. From this we can understand that, wholesalers deliver their orders within a short time period.

5.3.2.5 Time required for receiving the delivery

Sl No	Time period	(n=5)	Percentage
1	Within one day	20	80
2	1-2 days	5	20
3	3-4 days	0	0
4	>5 days	0	0
	Total	25	100

From table 5.3.2.5 it is clear that, majority of the retailers stated that orders are received within one day, i.e. Eighty percent of respondents get their order within one day and twenty percent

stated that they receive their order in the time period of 1 to 2 days. And it is clear that the maximum time taken is 2 days. Minimum time taken is 1 day.

5.3.2.6 Expectation from KSE

Sl no	Particulars	(n=25)	Percentage
1	Increased margin	8	32
2	Improved quality	0	0
3	Good relationship	0	0
4	Effective schemes	16	64
5	Credit policy	1	4
	Total		100

The table 5.3.2.6 indicates that, retailers expect KSE to build up effective promotional schemes. Sixty eight percent of the respondents suggested this to improving the sales. From this it is evident that in retail business KSE is not creating any promotional schemes to increase the sales. Also thirty two percent of the respondents suggested increasing the margin of the product and only four percent suggested introducing credit policies.

5.3.2.7 Shelf life of product

Sl no	Opinion	(n=25)	Percentage
1	Below one week	0	0
2	Two to four weeks	0	0
3	More than one month	25	100
	Total	25	100

Table 5.3.2.7 indicates that the cattle feed of KSE is having a shelf life of more than one month which is good and effective as compared to other competing brands brands.

5.3.2.8 Replacement of expired or damaged packs

Sl no	Opinion	(n=25)	Percentage
1	Regularly	0	0
2	Often	25	25
	Total	25	100

From table 5.3.2.8 it is clear that all the respondents opinioned that they often replace damaged or expired products. From this we can understand that the wholesalers deliver quality products to the retailers and also they sell quality products to their customers.

5.3.2.9 Response to KS cattle feed compared to other cattle feed from customers according to retailers

Sl no	Statement	(n=25)	Percentage
1	Excellent	3	12
2	Very good	16	64
3	Good	6	24
4	Average	0	0
5	Poor	0	0
	Total	25	100

The table 5.3.2.9 indicates that majority that is sixty four percent of retailers stated that, as compared with other cattle feeds, KS cattle feed had a very good response from customers side. Farmers get more quantity of milk from cattle while using KS cattle feed and immunity power of their cattle increased. Twelve percent retailers stated that customers have an excellent opinion towards KS cattle feed as compared to other feeds in the market.

5.3.2.10 Availability of required quantity KS cattle feed at required time

Sl no	Opinion	(n=25)	Percentage
1	Yes	25	100
2	No	0	0
	Total	25	100

From the table 5.3.2.10 it is clear that all the respondents stated that they get the required quantity of cattle feed at required time. Wholesalers ensure availability of required quantity of cattle feed at required time in retailers shop.

5.3.2.11 Customers specifically ask for KS cattle feed

Sl no	Opinion	(n=25)	Percentage
1	Yes	25	100
2	No	0	0
	Total	25	100

The table 5.3.2.11 indicates that out of the sample all the respondents stated that their customers specifically ask for KS cattle feed. The customers are aware about KS cattle feed and its quality. Retailers never force to buy their products. Customers have the power to choose their product.

5.3.2.12 Responsibility for loss of broken pack

Sl no	Opinion	(n=25)	Percentage
1	Company	25	25
2	Retailer	0	0
	Total	25	100

From table 5.3.2.12 it is clear that company will bear the loss of broken pack. They exchange the broken pack. The company takes responsibility in such cases.

5.4 Customers

5.4.1 Socio economic profile of the customers

To analyze the socio economic profile of the customers of KSE, a reference group of 50 customers were studied by administrating a pre- structured schedule.

5.4.1.1 Gender wise classification of customers

Sl no	Gender	Respondents(n=50)	Percentage
1	Male	42	84
2	Female	8	16
	Total	50	100

From the table 5.4.1.1 it is evident that majority that is eighty four percent of the customers of KS cattle feed are male and only a small percent of wholesalers are female.

5.4.1.2 Age wise classification of customers

Sl No	Age	Respondents(n=25)	Percentage
1	<30	4	8
2	31-40	4	8
3	41-50	14	28
4	51-60	17	34
5	>61	11	22
	Total	50	100

From table 5.4.1.2 it can be observed that out of the sample majority that is thirty four percent is in the age group of 51 to 60. Twenty eight percent are in the age group of 41 to 50, and twenty two percent is in the age group above 61 years. Rest of the customers in the age group of below 30 years and between 31 to 40 years is having a percent of eight each. So it is ideal to build up a good and lasting customer relationship.

5.4.1.3 Monthly income

Sl No	Income	Respondents(n=50)	Percentage
1	8000-18000	24	48
2	18001-28000	17	34
3	28001-38000	6	12
4	>38001	3	6
	Total	50	100

From table 5.4.1.3 it is clear that majority that is about forty eight percent of the KS customers are having an income ranging from 8000 to 18000. Thirty four percent of customers belong to the income group of 18001 to 28000. Twelve percent of customers are having an income ranging from 28001 to 38000. Only six percent of the respondents are having an income above 38001. So it is clear of them majority of them are having lower income.

5.4.1.4 Dairy as occupation

Sl No	Years	Respondents(n=50)	Percentage
1	<10	7	14
2	11-20	21	42
3	21-30	13	26
4	>31	9	18
	Total	50	100

From table 5.4.1.4 it is clear that forty two percent of consumers are having dairy as occupation for 11 to 20 years. Twenty six percent are having dairy as occupation for 21 to 30 years. Eighteen percent of the respondents are having dairy as occupation for above 31 years and fourteen percent are having dairy as occupation for below 10 years.

5.4.2 Analysis of customers regarding the Efficiency of distribution channel

Efficiency of distribution channel was assessed in terms following factors.

5.4.2.1 How long being using

Sl No	Years	Respondents(n=50)	Percentage
1	<10	18	36
2	11-20	19	38
3	21-30	8	16
4	>31	5	10
	Total	50	100

From the table 5.4.2.1 it is evident that majority that is thirty eight percent are being using KS cattle feed for 11 to 20 years. Thirty six percent are being using for below 10 years. Sixteen percent of the respondents are being using KS cattle feed for 21 to 30 years. Ten percent of the respondents are using for above 31 years.

5.4.2.2 Preference of variety

Sl No	Years	Respondents(n=50)	Percentage
1	Delux	14	28
2	Supreme	18	36
3	Premium	18	36
	Total	50	100

The table 5.4.2.2 shows that majority of the customers ask for KS supreme and premium. As compared to other two varieties, customers have less preference towards Delux.

5.4.2.3 Reason for using KS cattle feed

Sl No	Opinion	Respondents(n=50)	Percentage
1	Availability	7	14
2	Quality	43	86
3	Packaging	0	0
	Total	50	100

The table 5.4.2.3 indicates that majority, that is eighty six percent of respondents are mainly using KS cattle feed because of its quality. Also they stated that the quantity of milk production is increased and health problems towards their cattle are reduced. Also fourteen percent of respondents stated that the reason for using KS cattle feed is because of its availability.

5.4.2.4 Frequency of purchase

Sl No	Time period	Respondents(n=50)	Percentage
1	Daily	0	0
2	Within one week	0	0
3	2-3 weeks	35	70
4	Monthly	15	30
	Total	50	100

Table 5.4.2.4 reveals the customers purchase frequency. According to the table about seventy percent of the customers purchase their products within 2 to 3 weeks. And thirty percent purchase their products monthly. By getting the data of frequency of purchase we can use it for studying the customers purchase power.

5.4.2.5 Satisfaction with price of product

Sl No	Opinion	Respondents(n=50)	Percentage
1	Yes	10	20
2	No	40	80
	Total	50	100

It is clear from the table 5.4.2.5 eighty percent of the customers are not satisfied with the price of the product. Majority of them have a lower monthly income. Only twenty percent of the customers are satisfied with the price of the product.

5.4.2.6 Retailer force to buy KS cattle feed

Sl No	Opinion	Respondents(n=50)	Percentage
1	Yes	0	0
2	No	50	100
	Total	50	100

The table 5.4.2.6 indicates that customers are well known about the advantages of using KS cattle feed because they specifically ask for KS cattle feed. And they stated that retailers never force them to buy any specific brand.

5.4.2.7 Availability of KS cattle feed at required quantity at required time

Sl No	Opinion	Respondents(n=50)	Percentage
1	Yes	46	92
2	No	4	8
	Total	50	100

The table 5.4.2.7 Ninety two percent of the customers stated that they can easily avail the required quantity of product at required time. But a small percent of respondents stated that if any shortage in the quantity of required product, the retailers deliver the balance in the next days.

5.4.2.8 Previous experience with other brands

Sl No	Opinion	Respondents(n=50)	Percentage
1	Yes	35	70
2	No	15	15
	Total	50	100

The table 5.4.2.8 indicates that 70 percent have previous experience with other brands. Majority of them stated that they turned into KSE because of its quality. So KSE need to maintain their quality of products.

5.5 Conclusion

The chapter includes the analysis of data collected from the wholesalers, retailers and also the customers about the effectiveness of distribution channel of KS cattle feed at KSE Irinjalakuda. Wholesalers, retailers and customers were taken and analysed. The effectiveness was examined by considering the responses of Wholesalers, retailers and customers. The analysis clarifies all the elements which is giving the idea about KSE distribution network and efficiency of it. Major findings and suggestions based on the observations were discussed in the next chapter.

Chapter VI
Summary of findings, Suggestions and
Conclusion

CHAPTER VI

SUMMARY OF FINDINGS, SUGGESTION AND CONCLUSION

6.1 Introduction

In every organization, Distribution channel plays a very important role. Distribution system decides all about sales and profits, if the distribution channel is efficient then the sales and profit of the company will also increase. This will take the company into different levels. An effective, motivated distribution channel provides business with coverage of a wide market and an additional source of revenue. Problems in distribution channel can arise when channel partners give priority to competitive products or deliver poor service to your customers. To ensure that the channel delivers those benefits, you need to manage channel partners carefully and provide the right level of marketing support. Channel partners are responsible for relationships with the customers. If channel partners offer poor standards of service, such as late deliveries, inaccurate invoicing or delays in dealing with customer enquiries, customer satisfaction will drop.

Today marketing considerations are most crucial in business planning and decision making. The modern concept of marketing recognizes its role as a direct contributor to profits as well as sales volume. This study was undertaken to Study the effectiveness of the distribution system of KS cattle feed at KSE Irinjalakuda. The area taken to study was Thrissur district. The study was based on primary data of 5 wholesalers, 25 retailers and 50 customers. Percentage and indices were used for analyzing the survey results.

6.2 Major Findings

6.2.1 Wholesalers level

- Out of the sample majority of wholesalers are male and only twenty percent are female
- Majority of wholesalers are in the age group of 41 to 50 years
- Majority of wholesalers are having experience in wholesale business for 11 to 20 years
- Majority of wholesalers are having wholesale business of KS cattle feed for 11 to 20 years.

- Majority of respondents strongly agree that the reason behind the wholesale of KS cattle feed is because of the quality of cattle feed. Respondents are strongly disagreeing with the current credit policies of KSE.
- The satisfaction index towards services provided by KSE and communication with company personnel is High. The satisfaction index towards discount rate is good and moderately satisfied towards margin provided to them. The satisfaction towards company advertisement and promotional schemes is poor.
- All the Wholesalers stated that they avail the required quantity of products at required time
- Majority of respondents stated that they are getting 4 to 5 orders in a month. Wholesalers used to get orders from retailers in definite pattern.
- All the wholesalers stated that the maximum time taken to deliver the orders to their retailers is one day.
- All the respondents stated that they take back the expired products in time and inform it to the company. Wholesalers are making enough precautions to avoid the availability of the expired product at the shops.
- Majority of the wholesalers stated that KS cattle feed is excellent in quality as compared to other competing brands.
- All the wholesalers stated that they only have the wholesale of KS cattle feed. And they suggest KS cattle feed for getting maximum yield.
- All the wholesalers have responded that they expect KSE to introduce new promotional schemes.

6.2.2 Retailers level

- Majority of the retailers are male that is eighty eight percent of the retailers are male in the distribution channel of KS cattle feed.
- Majority of the retailers are in the age group of 61 to 70 years.
- Majority of the respondents are having retail business of KS cattle feed for 21 to 30 years.
- Majority of the respondents stated that the main reason for collaboration with KSE is because of their Quality. Eighty four percent of retailers strongly agree with the quality of KS cattle feed.

- Fifty two percent of the respondents rated that distribution system followed by KS cattle feed is very good and thirty two percent of the respondents stated that the distribution system of KSE is good. According to sixteen percent the distribution system of KS cattle feed is excellent. Retailers had a positive opinion towards the distribution system of KSE.
- Satisfaction index scored above 80 percent is for the parameter services offered by KSE that means respondents are highly satisfied with the services offered to them. Satisfaction level for margin offered is good; but retailers are moderately satisfied with the discount rate offered to them.
- Regarding timely delivery of KS cattle feed, eighty percent of the respondents rated that the timely delivery of KS cattle feed is excellent. Wholesalers deliver their orders within a short time period.
- Eighty percent of respondents stated that they receive their order within one day and twenty percent stated that they receive their order in the time period of 1 to 2 days. The maximum time taken is 2 days. Minimum time taken is 1 day.
- Retailers expect KSE to build up an effective promotional scheme for the company. Sixty four percent of the respondents suggested introducing effective promotional scheme for improving the sales.
- Retailers stated that cattle feed of KSE is having a shelf life more than one month which is good and effective as compared to other competing brands
- All the respondents opinioned that they often replace damaged or expired products. Retailers are making enough precautions to avoid the availability of the expired product to their customers.
- Sixty four percent of retailers stated that, as compared with other cattle feeds, KS cattle feed had a very good response from customers.
- Regarding the availability of required quantity of product at required time, all the retailers stated that they get the required quantity of cattle feed at required time.
- The customers are aware about KS cattle feed and its benefits. Retailers never force to buy their products. All the respondents stated that their customers specifically ask for KS cattle feed.
- The wholesaler will bear the loss of broken pack. All the retailers stated that the wholesalers exchange the broken pack. The company takes responsibility in such cases.

6.2.3 Customers level

- Eighty four percent of the customers of KS cattle feed are male.
- Majority of the respondents that is thirty four percent of customers are in the age group 51 to 60.
- A majority of the customers that is about forty eight percent of the KS customers are lower income farmers having an income ranging from 8000 to 18000.
- Majority of the customers that is forty two percent of customers are having dairy as occupation for 11 to 20 years.
- Thirty eight percent are being using KS cattle feed for 11 to 20 years.
- Majority of the customers ask for KS supreme and premium. As compared to these two varieties, consumers have less preference towards Delux.
- The customers are mainly using KS cattle feed because of its quality. Eighty six percent of respondents replied that they prefer KS cattle feed due to its quality.
- Seventy percent of the customers purchase their products within 2 to 3 weeks.
- Eighty percent of the customers are not satisfied with the price of the product. Majority of them are having a lower monthly income.
- All the respondents stated that retailers never force them to buy any specific brand.
- Ninety two percent stated that they get the required amount of product at required time. But a small percent of respondents stated that if any shortage in the quantity of required product, the retailers deliver the balance in the next days.
- 70 percent have previous experience with other brands. Majority of them stated that they turned into KSE because of its quality.

6.3 Suggestions

- Company should increase the current margin for wholesalers and retailers
- Instead of cash and carry method introduce stock or return policy.
- Introduce loyalty programmes.
- Conduct meeting with wholesalers in every 6 months.
- The company should implement new pricing strategies favorable for customers

6.4 Conclusion

From the study it is understood that there are some imperfections in the overall distribution system of KS cattle feed. Respondents stated their disappointments towards margin, credit policies and promotional schemes. Respondents are positively agreeing with the quality, demand, relationship with the company personnel, availability of product etc.

Based on the results and observations, the above suggestions are put forward to improve the overall effectiveness of distribution channel of KS cattle feed at KSE. This would enable the company to recapture the market share of KSE.



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Appendix

Questionnaire for wholesalers

1. Name of the distributor:
2. Gender:
3. Age:
4. How long you have been in the distribution business
a) <10 years, 11-20 year, 21-30 years, 31-40 years, 41 years
5. When did you start collaboration with KSE?
a) <10 year b) 11-20 years c) 21-30 years d) 31-40 years e) 41 years

6. What is the reason of choosing cattle feed

Sl.no	Particulars	Strongly agree	Agree	Moderately agree	Disagree	Strongly disagree
	Margin					
	Demand					
	Relationship with company					
	Quality					
	Credit policy					

7. Rate your overall satisfaction with the services offered, discount offered, margin, timely delivery, company advertisement and promotional schemes, communication with company and commission by KSE to the distributors

Sl No	Particulars	Highly satisfied	Satisfied	No opinion	Dissatisfied	Highly dissatisfied
1	Margin					
2	Discount rate offered					
3	Services offered					
4	Timely delivery					
5	Company advertisement and promotional schemes					

6	Communication with company					
7	Commission					

8. On an average , how many times did you receive the orders from the retailers in a month
a) 1 b) 2-3 c) 4-5 d) more than 5

9. Problems in the availability of required quantity of product at the required time
Yes No

10. Number of orders from retailers in a month
a) 4 to 5 b) more than 5

11. Once the orders been placed by the retailer, how much time would you require to deliver the order
a) Within one day b) 1-2 days c) 3-5 days d)more than 5 days

12. What you are expecting from KSE to increase the sales
Margin, quality, dealer relationship, promotional schemes, credit policy

12. Quality of product compared to other competing brands
Excellent, Very good, Good, Average, Poor

Questionnaire for retailers

1. Name of the retailer:
2. Gender:
3. Age:
4. Nature of the shop
5. How long you have been in the retail business
a)<10, b)11-20, c)21-30, c)31-40, d)>41
6. Reasons for association with KS cattle feed

Sl.no	Particulars	Strongly agree	Agree	Moderately agree	Disagree	Strongly Disagree
	Margin					
	Demand					
	Dealer relationship					
	Quality					
	Credit policy					

7. Do you have supply of any other brands
Yes No
8. How do you rate performance of distribution system
a)Excellent, b)Very good, c)Good, d)Average, e) Poor
9. Rate the overall satisfaction with the services offered, discount offered, margin provided by KSE to retailers
a) Highly satisfied b) Satisfied c) No opinion d) Dissatisfied e) Highly dissatisfied

10. How do you rate the time delivery cattle feed

a)Excellent, b)Very good, c)Good, d)Average, e) Poor

11. Once the order is been placed by you, how much time would the dealer require to deliver the order

a) Within one day b) 1-2 days c) 3-5 days d)more than 5 days

12. What is your opinion, would help KSE to increase the sales of cattle feed

Increased Margin, Improved quality, good dealer relationship, effective promotional schemes, attractive credit policy

13. What's the shelf-life of products?

a) Below one week, b) One to three weeks, c) One month

14. What's the frequency of replacement of expired product?

a) Regularly b) often c) very often

15. Response to KS cattle feed as compared to other cattle feed from customers

a) Excellent, b) Very good, c) Good, d) Average, e) Poor

16. Did you get the required amount of product at required time?

Yes No

17. Who will bear the loss of broken pack?

a)Company, b)Retailer

18. Whether the customers specifically ask for KS cattle feed

Yes No

Questionnaire for customers

1. Name of the customer
2. Gender:
3. Age:
4. Monthly income
5. How long you being in this field
a)<10,b)11-20,c)21-30,d)>31
6. How long you being using KS cattle feed
a)<10,b)11-20,c)21-30,d)>31
7. Why do you prefer KS cattle feed
Availability, quality, packaging, price profitability
8. Which variety did you prefer more
Delux , Supreme , Premium
9. Frequency of purchase
Daily, within one week, 2-3 weeks, Monthly
10. From where do you usually buy the product
Dairy co-operative society, Private retailer
11. Is the product is available at required quantity at required time
Yes No
12. Are you satisfied with the price of the product
Satisfied Unsatisfied

13. Whether the Retailer force to buy KS cattle feed

Yes No

14. Do you have any Previous experience with other brands

Yes No

15. If yes, please mention the problems

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