

A DESSERTATION ON
“PROBLEMS FACED BY WHOLESSELLERS AND RETAILERS IN THE
DISTRIBUTION CHANNELS OF FMCG PRODUCT WITH REFERENCE
TO RANGIA TOWN”

Submitted to the Submitted to the Department of Commerce, Gauhati University



For the partial fulfillment of requirement of the M.Com 3rd semester
Course

Of

NALBARI COMMERCE COLLEGE

Year 2023



Under the guidance of
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CERTIFICATE

This is to certify that dissertation entitled "A STUDY ON PROBLEMS FACED BY WHOLESALERS AND RETAILERS IN DISTRIBUTION CHANNEL OF FMCG PRODUCT WITH REFERENCE TO RANGIA TOWN" submitted by PLASHI BAJAJ student of M.COM 3rd semester of NALBARI COMMERCE COLLEGE under Gauhati University for the session 2023.

This dissertation has been prepared under my guidance towards partial fulfillment of degree of M.com to GAUHATI UNIVERSITY. This report has been prepared by her is own effort and its has not been submitted to anyother institution for award of any degree

I wish her all success in life.

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DECLARATION

I, PLASHI BAJAJ, a student of M.com 3rd semester NALBARI COMMERCE COLLEGE, Nalbari, hereby declare that the project work titled "A STUDY ON PROBLEMS FACED BY WHOLESALERS AND RETAILERS IN DISTRIBUTIONCHANNELS OF FMCG PRODUCT WITH REFERENCE TO RANGIA TOWN" is

carried out under the supervision and guidance of Assistant Prof. Mercy Engtipi of M.com department of Nalbari commerce College, Nalbari, the work has been submitted for the partial fulfillment of M.com 3rd semester of Gauhati University is my original work.

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ACKNOWLEDGEMENT

It gives me immense pleasure to acknowledge the help and guidance that I received from various people in different stages of the study to give final shape.

First of all, I express my heartfelt thanks to Principal Dr Basanta Kalita of M.com Department of NALBARI COMMERCE COLLEGE, Nalbari, for their valuable suggestions and help to prepare thisdissertation.

I express my deep sense of gratitude to our Assistant Prof Mercy Engtipi, of M.com Department, NALBARI COMMERCE COLLEGE, Nalbari, Assam for rendering his valuable guidance in completing my dissertation work. I would also like to thanks all my faculty members of M.Com for their valuable suggestions.

I would like to thank to all respondents of wholesalers and retailers of Rangia for giving me the necessary information and data as possible.

Mostly, I express my gratitude to my parents relatives and friends for their cooperation while completing the project work.

PREFACE

The dissertation study on "A study on problems faced by the wholesaler and retailer in the distribution channels of FMCG products with reference to Rangia Town" is an attempt to know the conflicts and problems that arise between the wholesalers and retailers. The data used in the study is collected from various wholesalers and retailers outlet of Rangia Town.

The study throws light on various types of problems that arise between the wholesalers and retailers and other factors that creative problem in distribution of goods between them a channel of distribution or trade channel is the path along which goods move from producers to ultimate consumers. It is a dissertation network through which a producer puts his product in the hands of actual users. A trade or marketing channel consists of producer, consumer and users and the various middlemen who intervene between the two. The channels search a connecting link between the producer and the consumer. By reducing the gap between the point of production and the point of consumption, a channel creates time, place.

Study of dissertation is mainly based on primary data. I have tried my best in analyzing the research queries made by me with suitable data for better understanding .I therefore, submit this project report to the department and would welcome any suggestion as required.

Date :

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CHAPTER-1

INTRODUCTION

1.1 ABOUT FMCG SECTOR:

Fast-moving consumer goods (FMCG) sector is India's fourth-largest sector which has been expanding at a healthy rate over the years among consumers. This industry is an important contributor to India's GDP. Fast-moving consumer goods are nondurable products that sell quickly at relatively low cost. The most common FMCGs include milk, soap, fruit and vegetables, toilet paper, shaving products, beer, and over-the-counter drugs like aspirin.

The Indian FMCG sector is highly fragmented, volume driven and characterized by low margins. The sector has a strong MNC presence, well established distribution framework and high competition between organized and unorganized players. FMCG products are branded while players incur heavy advertising, marketing, packaging and distribution costs. The pricing of the final product also depends on the cost of raw material used. The growth of the sector has been given by both the rural and urban segments. India is becoming one of the most attractive markets for foreign FMCG players due to easy availability of imported raw materials and cheaper labor costs. Top 10 FMCG companies in India consist of both Global players such as HUL, Nestle, Cadbury, P&G and Indian companies such as Amul, Asian Paints, and Daburetc. In the FMCG sector the supply chain performance is a key Factor. The FMCG Industries characterized by Complex distribution Network and intense competition forcing firms to constantly work on supply chain innovation. Companies with better supply chain system will perform well, whereas those with poorly managed supply chain will find it tough to even survive in the competitive market.

1.1.1 Challenges faced by FMCG

Some of the major challenges are the following

1. Intense competition both in organized and unorganized sector gives huge challenge for FMCG firms to operate in rural India.
2. Due to low illiteracy level it is difficult to educate about the products and also duplicate products try to make their mark by copying the similarities of original products.
3. Due to huge dependency still on agriculture for income, demand is seasonal in rural areas, which creates challenges in maintaining adequate amount to stock.
4. Due to many languages and dialects, it's a challenge for FMCG firms to promote and advertise their products in every local language.
5. Sale in rural areas is more driven by availability of products and this again is a huge challenge due to huge and vast market of rural India.
6. Due to inadequate power supply media coverage for promotion of products becomes a huge and expensive task for companies
7. Lack of proper warehouse facilities gives a challenge for FMCG companies to safely store products and make them timely available in market.
8. Due to largely scattered market making product available timely and early than your competitor is a huge challenge for companies.

1.2 Channel of distribution

FMCG (fast moving consumer goods), after the development of the product, the producer has to decide channels or routes through which the product will flow from the factory to the potential customers. He has a number of alternatives available to him. The producer may choose to distribute the product directly to customers without using any intermediate. Alternatively he may use one or more middleman including

wholesaler, selling agents and retailers. Big farms have their zonal or regional authorized agents or dealers spread over the entire country. The dealers, in turn, work with distributors and retailers. On the other hand small firms cannot afford to have zonal offices, but are devising their own ways of doing business. They also receive regular orders of goods. Entry may be difficult for the small firms.

1.2.1 Meaning of channel of distribution :

A channel list of distribution or trade channel is the path or route along which goods move from producers to ultimate consumers. It is a distribution network through which a producer puts his products in the hands of actual users. A trade or marketing channel consists of the producer, consumers or users and the various middlemen who intervene between the two. The channel serves as a connecting link between the producer and the consumers. By bridging the gap between the point of production and the point of consumption, a channel creates time, place and possession utilities. A channel of distribution represents three types of flows:

- a. Goods flow from producer to consumers;
- b. Cash flow from consumers to produce as payment for goods; and
- c. Marketing Information flows in both directions, from producers to consumers in the information from consumers to producers is the feedback of the wants, suggestion, complaints, etc.

Considerable thought, effort, and investment are required to create and maintain a distribution channel. Channel margins and the expense of sales efforts in managing channels can form a substantial proportion of total marketing costs. An effective channel can be a source of strategic advantage for companies. Channel design and channel management are therefore important elements in a company's competitiveness. Channels are also important from a public policy perspective since they employ a large number of people and are critical to the unhindered availability of food items

and other products to customers across the socio-economic spectrum. Although channels are very important, little research exists about Indian distribution channels. This note and the accompanying round table presentation therefore attempt to focus on distribution channels in India, especially on the challenges that companies in India face in designing, constructing, and managing distribution channels. The aim is to identify important challenges.

Distribution channels can be understood by analyzing their constituents, structure, function, and contributions. Channels consist of networks of different types of independent businesses which need to be aligned to assist manufacturers in fulfilling and creating consumer demand for products and services. Channels consist of three categories of entities: agents, merchants, and facilitators. Agents promote products and generate sales but do not themselves buy and stock products. Agents can be independent or they may be employees of the company. Merchant such as retailers, wholesalers, and distributors buy stock and sell goods to others in the chain or to ultimate consumers. Merchants are usually independent but some companies may have their own wholesale trading units and retail outlets. Facilitators such as logistics service providers, independent warehouses, carrying and forwarding agents, and Transporters facilitate movement, shortage and delivery of products but are not involved in promoting or trading. Distribution channels are configured by putting together agents, Merchants, and facilitators in specific ways depending on the market, product, and competitive context.

1.2.2 Distribution channel structure of India:

The distribution channel structure in India is largely traditional and quite unique. The major channel components are the retail network, wholesale network, and the logistics infrastructure. The retail network in India consists of over nine million outlets. This include traditional outlets like Paan shops; grocers or general stores specialized shops for footwear, clothing, Jewellery, watches, mobile phones and consumer durables; newer formats like supermarkets and online stores; and service outlets like fast food outlets beauty parlour, fitness centres, coaching centre and so on. Traditional outlets

are spread across Urban and rural India but the newer formats are mostly located in urban areas. The penetration of organized retail in India which is less than 8% is quite low even in comparison to other emerging markets. The average retail outlets in India are very small in terms of area, number of employees. Traditional retailing in India offer consumers a number of advantages like convenience, home delivery, credit, and personalized services. On the other hand, modern retail offers periodic promotional offers, lower prices, wider assortment, a better ambience, and higher quality brands. The continued existence of traditional retail in India has been based on factor such as lower rentals, lower labour costs, credit from suppliers, low or no liability on taxes, and a legal Framework which prevented foreign direct investment FDI in retailing until quite recently. Traditional Store have managed to hold their own against organized Indian retailers so far by making some changes in their operating practices. It will be interesting to see how traditional Indian stores will fare in future after the entry of price aggressive International retailers.

Notwithstanding the many advantages offered by traditional retailers in India, modernization has picked up in many sectors such as apparel retail, watch retail, and footwear retail. Modernization seems to have resulted from both supply side and demand side factors. Supply side factors supporting modernization are the large investments in retail made by brand owners in watches, textile, and footwear; development of malls and shopping centres and the entry of large Indian business groups into grocery.

Wholesalers have always been an important part of the distribution channel in India. Wholesalers purchase product from manufacturers and sell to retailers. They perform services like storage, credit provision and information provision for manufacturers. Wholesalers in India are small in relation to their counterparts in developed countries and they operate in a limited geographical territory. Wholesalers may specialize in a narrow product range across a few brands and deal with a small number of retailers. Fast moving consumer goods (FMCG) companies in India have developed a category of exclusive wholesalers called stockist or redistributors. These stockist are expected to operate in a defined Geographic territory and service a defined set

of retailers by providing regular product delivery to retailers using dedicated transport units which ply on fixed routes. Stockists are expected to employ sufficient number of salespersons and promotional personnel to ensure proper stocking and display of the manufacturer's products. The number of stockists used by a single FMCG manufacturer for all India distribution may run up to a few thousand and these stockists may cover over a million retailers using systematic physical distribution.

1.2.3 Functions of channel of distribution:

A marketing channel has to overcome several gaps that separate the goods and services from those who actually would like to use them. It is exactly here that the marketer feels the necessity of middleman who actually creates form, time, place and possession utilities. The marketing manager cannot afford to think of eliminating the middleman, because they perform the following major functions or tasks:

1) Information Provider:

Middlemen have 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 or a new brands and changes in customer preferences are some of the information that all manufacturers want. Since these middlemen are present in the Market place and close to the customer they can provide this information at no additional cost.

2) Price Stability:

Maintaining price stability in the market is another function a middle man performs. Many a times the middlemen absorb an increase in the price of the products and continue 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) Promotion:

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

4) Financing:

Middleman Finance manufacturers operation by providing the necessary working capital in the form of advance payments for goods and services. The payment is 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.

5) Title:

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

6) Help in Production Function:

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

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 functions:

1. **Contractual:** Finding out buyers and sellers
2. **Merchandising:** Producing goods that will satisfy market requirements.
3. **Pricing:** Process of attaching value to the product in monetary terms.
4. **Promotion:** Sales promotion activities.
5. **Physical distribution:** Distribution activities.

8) Pricing:

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

9) Standardizing Transactions:

Standardizing transactions is another function of marketing channels. Taking the example of the milk delivery system, the distribution is standardized throughout the marketing channel so that consumers do not need to negotiate with the sellers on any aspect, whether it is price, quantity, method of payment or location of the project.

By standardizing transactions, marketing channels automate most of the stages in the flow of products from the manufacturer to the customer.

10) Matching Buyers and Sellers:

The most crucial activity of the marketing channel members is to match the needs of buyers and sellers. Normally, 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.

1.2.4 Types of distribution channel:

Every producer requires a channel that can distribute his product to the right customers at the right time at the right cost. It consists of the entire middleman which participates in the distribution of goods and which serve is a link between the manufacturer/producer and the consumer.

A brief explanation of different channels of distribution is given below:

1. Producer - Consumer:

This is also known as direct selling because no middlemen are involved. A producer may directly through his own retail stores, for example, Bata. This is the simplest and the shortest channel. It is fast and economical. Small producers and producers of perishable commodities also sell directly to the local consumers. Big firms adopt direct selling in order to cut distribution cost and because 24/7 they have sufficient facilities to sell directly to the consumers. The producer all the entrepreneur himself performs all the marketing activities.

2. Producer-Retailer-Consumer:

This is one stage distribution channel having one middleman, i.e., retailer. In this channel, the producer sells to big retailers like department store and chain stores who in turn sell to customer. This channel is very popular in the distribution of consumer durables such as refrigerators, TV sets, washing machines, typewriters, etc. This channel of distribution is very popular these days because of emergence of departmental stores, supermarkets and other big retail stores. The retailers purchase in large quantities from the producer and perform certain marketing activities in order to sell the product to the ultimate consumer.

3. Producer-Wholesaler-Retailer- Consumer:

This is the traditional channel of distribution. There are two measurement in this channel of distribution, namely, wholesaler and retailer. This channel is most suitable for the products with widely scattered market. It is used in the distribution of consumer products like groceries, drugs, cosmetic etc. It is

quite suitable for small scale producers whose product line is narrow and who require the expert services and promotional support of wholesalers.

1.2.5 Choice of channel of distribution:

In order to select the right channel for distribution of his product, a smallscale manufacturer should keep in mind the following considerations:

1. Market considerations: The nature of the market is a key factor influencing the choice of channels of distribution. The following features of the market should be considered to determine the channels:

a. Consumer or industrial market: If the product is meant for industrial uses, the channel of distribution will be a short one. This is because industrial users buy in a large quantity and the producer can easily establish a direct contact with them. But in case for goods meant for consumers, retailers may have to be included in the channels of distribution.

b. Number and location of buyers: When the number of potential customers is small or the market is geographically located in a limited area, direct selling is easy and economical. In case of large number of customers, use of wholesalers and retailers become necessary.

c. Size of order: Direct selling is convenient and economical where customers place order in big lots as in case of industrial goods. But where the product is sold in small quantities, middlemen are used to distribute such products. A manufacturer may use different channels for different types of buyers. He may sell directly to big retail store and may use wholesalers to sell to small retailers.

d. Customers buying habits: The customer buying habits like the time he is willing to spend, the desire for credit, the preference of personal attention and one stop shopping significantly affect the choice of distribution channels.

2. Product Considerations:

The type and nature of the product influence the number and type of middleman to be chosen for distributing the product. The important factors with respect to the product are as follows:

a. Unit value: Product of low unit value and common use are generally sold through middleman, as they cannot bear the cost of direct selling. On the other hand, expensive consumer goods and Industrial Products are sold directly by the producers.

b. Perishability: Perishable products like vegetables, fruits and bakery items have relatively short channels, as they cannot withstand repeated handling. Goods, which are subject to frequent changes in fashion and style, are generally distributed through short channels, as the producer has to maintain close and continuous touch with the market.

c. Standardization: Custom-made and non-standardised products usually pass through short channels due to the need for direct contact between the producer and the consumers. Standardized and mass made goods can be distributed through middleman.

d. Technical nature: Industrial products require demonstration, installation and after sale service or after sale sold directly. The consumer products of Technical nature are generally sold through retailers. **e. Product line:** An entrepreneur producing a wide range of products may find it economical to set up its own retail outlets. On the other hand, firms with one or two products find it profitable to distribute through wholesalers and retailers.

3. Middleman considerations: The cost and efficiency of distribution depend largely upon the nature and type of middleman as given in the following factors:

a. Availability: When middleman as desired are not available, an entrepreneur may have to establish his own distribution network. Non availability of middleman may arise when they are handling competitive products, as they do not like to handle more brands.

b. Attitude: Middle man who do not like a firm's marketing policies may refuse to handle it's products . For instance, some wholesalers and retailers demand soul selling rights or a guarantee against fall in prices.

c. Services: Use of those middleman is profitable who provide financing, storage, promotion and after sell service.

d. Sale Potential: An entrepreneur generally prefers a dealer who offers the greatest potential volume of sales

e. Costs: Choice of a channel should be made after comparing the costs of distribution through alternative channels. After deciding the number of middle man, an entrepreneur has to select the particular dealers through whom he will distribute his products. While selecting a particular wholesaler or retailer, the following factors should be taken into consideration:

- a. Location of dealers business premises;
- b. Financial position and credit standing of the dealer;
- c. Knowledge and experience of the dealer;
- d. Storage and showroom facilities of the dealer.

1.3 CHANNEL CONFLICT

1.3.1 Meaning of channel conflict:

Channel conflict is a situation in which channel partners have to compete against one another or the vendor's internal sales department. Channel conflict can cost a company and its partners money as partners try to undercut one another. It can also lower morale within the channel and cause some partners to consider other vendors. Channel conflicts may also occur among various segments of corporate departments, such as the sales channel. For example, the direct contact component of the sales department may have to compete with other sales channels, such as telephone, online and mail

campaigns. The conflict is not price-based, but includes friction that can arise from a lack of dealer training, poor communication from company to dealer or merely inefficiently delivering information and applications from too many old legacy sites and Systems. Conflict impacts on customers, channel partners and Company.

Channel conflict/problems impact on customers:

1. Customers delay a purchase to ensure they are getting the 'best deal'.
2. Customer regrets a purchase that has already been made once they learn of the 'better deal'.
3. Channel conflict/problems impact on channel partners.
4. A decrease in morale within the channel.
5. Lower employee engagement and mindshare.
6. Channel conflict/problems impact on company.
7. Frustration with channel partners.
8. Missed revenue targets.

1.3.2 Types of conflict

The manufacture hopes for channel cooperation that will produce greater profit for each channel member. Yet the following three types of conflicts can occur.

(a) Vertical Level Conflict

In the vertical level conflict, the channel partner belonging to a higher level enters into a dispute with the channel member of a lower level or vice-versa.

(b) Horizontal Level Conflict

The conflict among the channel partners belonging to the same level, i.e., issues between two or more stockists or retailers of different territories, on the grounds of pricing or manufacturer's biases, is termed as horizontal level conflict.

(c) Inter-type Channel Conflict

These type of conflicts commonly arise in scrambled merchandising, where the large retailers go out of their way to enter a product line different from their usual product range, to challenge the small and concentrated retailers.

1.3.3 Causes of Channel Conflict

- (a) **Role Ambiguity:** The uncertain act of an intermediary in a multi-channel arrangement may lead to disturbance in the channel of distribution and cause conflict among the intermediaries.
- (b) **Difference in Market Perception:** The manufacturer's understanding of the potential market and penetration into a specific region or territory, may vary from the perception of the intermediaries, which can create conflict and reduce the intermediary's interest in capturing that particular market.
- (c) **Incompatible Goals:** When the manufacturer and the intermediaries do not share the same objectives, both work in different directions to meet their ends, this results in channel conflict.

1.3.4 Causes of channel conflict/problems between wholesaler and retailers

Wholesalers and retailers act as an intermediary link between the manufacturer and the consumer of goods. They are expert in providing a wide range of service for both the producer as well as consumer therefore, some of the major conflict/problems between wholesalers and retailers are

a) Goal Incompatibility: A major conflict between the wholesaler and retailers is the perceived goal incompatibility between them. The wholesalers perceive his goals to be market share and profit maximization in the long run, the retailer perceives their goals to be sales maximization and in turn profit maximization.

b) Role Ambiguity: Many a time conflict has occurred because of role ambiguity. This is a common cause of conflict in channel conflict.

1.4.1 REVIEW OF LITRATURE:

There are few studies done by the researchers regarding problems of channel of distribution in various ways:

In a study conducted by **Ingo** (2003) on "**Conflicts of interest and market discipline among financial service firms**". In this paper the answers to the questions of a taxonomy of conflicts between the interest of the financial forms owners and managers and those of its clients, including situation where the firm is confronted by conflicts of interest between individual clients or type of clients and relates this conflict of interest taxonomy to the strategic profile of financial services firms, linking potential conflicts of interest exploitation to the size and breadth of financial firms and illustrating how those conflicts can be compounded in large multi financial institutions where tried to be answered. The main findings of the study are firms can benefit

from conflict exploitation in the short term to the extend that volumes and/or margins are increased as a result.

In a study conducted by **Goldkuhl** (2005) on "**Multiple marketing channel conflict with focus on the internet**" the main objectives of the study describe the causes of channel problems in multiple marketing channels including the internet. It was mainly found from the study that channel difficulties will occur when companies add the internet marketing channel to existing marketing channels the main cause of conflict are goal and communication between the channel members since the business goals of both the manufacturer and the service provider were different from their resellers business goals.

In the study conducted by **Tichelaar** (2010) on "**Exploring the channel conflict how and under which circumstances a manufacturer can develop a successful direct marketing channel strategy**" aims to find answers to the questions are to explore under circumstances and how a business to consume her manufacturer can create a direct marketing channel. It was found from the study that channel conflict can be monitored and assessed to determine whether it is a real threat or a perception and then managed. In this study manufacturer indicated that they do not monitor or manage channel conflict no indication provided that adding a direct marketing channel result in serious repercussions to the manufacturers and the product type, product category, product portfolio and life cycle, as well as the applicability of personalization and customization are important factors for direct marketing channel.

According to **Dr singh** (2014) on "**A Study on the Problems faced by the FMCG Distribution Channels in Rural Area of Bhopal & Hoshangabad Districts of M.P**" the main objective of the study where to find the problems perceived by channel members in distribution of Fast Moving Consumer Goods to Rural Area of Bhopal and Hoshangabad and to measure the level of satisfaction of rural consumers towards Fast Moving Consumer Goodsdistribution system.

In the study conducted by **Kusuma (2013)** on "**A study on organised retailing and its challenges and retail customer service**" the main objectives of the study were to check the growth and development of organised retail industry in India and the major players of organised retailers and customers services provided by retailers and the challenges faced by the organised retail sector in India. It was mainly found from the study that retail in India is most dynamic industry and represents a huge opportunity for domestic and international retailers. Modern retailing is not a problem to traditional stores as most of the consumers said that they never stopped visiting kirana stores. They strongly agreed on coexistence of both is required. Their frequency of going to kirana store is reduced. Modern retailing has milesto go in India.

CHAPTER 2

NATURE OF STUDY

The topic **A STUDY ON PROBLEMS FACED BY WHOLESALERS AND RETAILERS AND DISTRIBUTION CHANNELS OF FMCG PRODUCT WITH**

REFERENCE TO RANGIA TOWN is basically a survey based project. For this data has been collected from primary sources.

2.1 OBJECTIVE

Objective of the study: The following are the major objective of the study:

1. To study the challenges faced by FMCG retailers and wholesaler in the study area .
2. To find out the initiatives taken by respondents to overcome the problems in the study area.

2.2 SIGNIFICANCE OF STUDY

In present scenario of distribution channel related FMCG products are in need of some necessary steps and development which is very essential for reducing the conflict.

But sometimes it has been observed that both wholesalers as well as retailers does not like to equip themselves with some development and modern methods and channels which are development related with concern to reduction of distribution channel problems due to lack of availability of time and interest to make itself involve in.

So from this an attempt is made to highlight the possible problem that have an major impact in creating problems are studied and are given suggestion in order to reduce this problem.

2.3 LIMITATIONS

Limitations of study: The following are the limitations of the study:-

- a) The duration of the study was limited.
- b) At the time of collecting the data the respondents i.e. retailers and wholesalers were hesitant to provide information.
- c) A money constraint is another limitation because the expenditure for completion of dissertation was borne by the researcher.

2.4 SCOPE OF THE STUDY

This study is an analysis of various problems in distribution channel of FMCG products and comparison between wholesalers and retailers related to such conflict that they face specifically in Rangia Town area. This is helpful in analyzing the services that wholesalers and retailers deal in as the comparison is done in this study.

2.5 PERIOD OF THE STUDY

The study period has been started from the month of September till the month of November of the year.

CHAPTER 3

RESEARCH METHODOLOGY

The methods that are used can be categorized as

3.1 Identification of the problems.

Existing problems of both wholesalers and retailers faced by them in the channel of distribution are studied here. The problems that they faced and accordingly if any changes need to be taken or considered for the development of channel of distribution of FMCG goods are identified.

3.2 Plan for the study.

Main plan for the study are, to consider main objectives such as to study the problems of distribution channels faced by the wholesalers and retailers in distribution channel of FMCG products.

3.3 Area of the study.

The study was undertaken in the town of Rangia, for the purpose of studying the problems faced by wholesalers in distribution channel of FMCG product, the areas under study are

1. Rangia bazar
2. Tiniali
3. Murara
4. Rangia Station

The study was also under taken in the town of Rangia, for the purpose of studying the problems faced by retailers in distribution channel of FMCG product, in the areas of

1. Tiniali
2. Rangia Station
3. Rangia Highway

3.4 Research Allocation

The main research instrument was the schedule (a list of questions) and direct personal interview for both wholesalers and retailers, various questions regarding the problems and requirement for the development of distribution channel of FMCG products.

3.5 Sources of data:

This study was undertaken based on primary sources primary sources involved a field survey of both wholesalers and retailers in the town of Rangia.

The following research tools were used for the study:

- ⇒ Schedule
- ⇒ Personal interview

Under the study, pie diagram and bar diagram both are used for analysis the primary data which are collected through scheduled.

3.6 Data Collection

The survey was carried out following a random sampling. The town of Rangia was divided into four constituency. Thereafter, retailers and wholesalers were randomly picked from the constituencies. A random sampling method was followed because the population of retailers and wholesalers within each strata is homogeneous (same kind) in nature since the study is based specifically on FMCG products.

3.7 Statistical Method.

Various statistical method such as table, figure, average, percentage and other techniques are used for data collection

3.8 Sample size

The survey was carried out in two parts. Firstly, is sample size of 20 wholesalers was drawn from the above mentioned area. Secondly sample size of 30 retailers was drawn from the above mentioned constituencies within the Rangia Town.

CHAPTER 4
ANALYSIS AND INTERPRETATION

4.1 Analysis and interpretation of wholesaler:

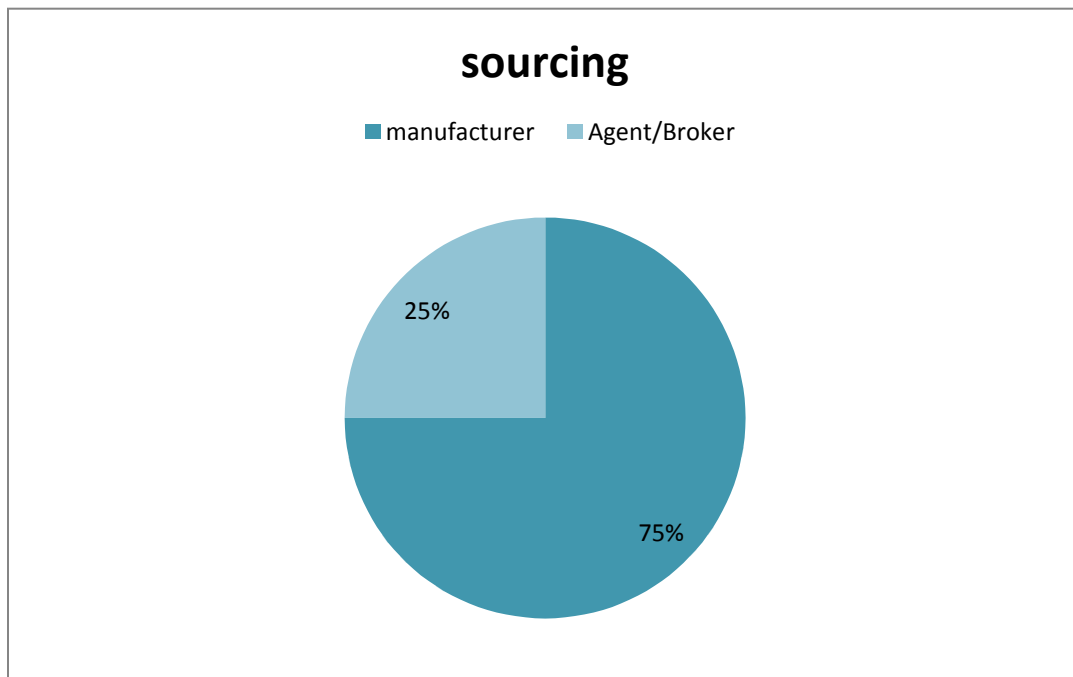
Analysis 1) SOURCING OF THE PRODUCT

TABLE: 4.1.1 SOURCE/PURCHASING OF THE PRODUCT

	Frequency	Percent(%)
Manufacturer	15	75
Agent/Broker	5	25

Source: Primary data

FIGURE 4.1 SOURCING OF THE PRODUCT



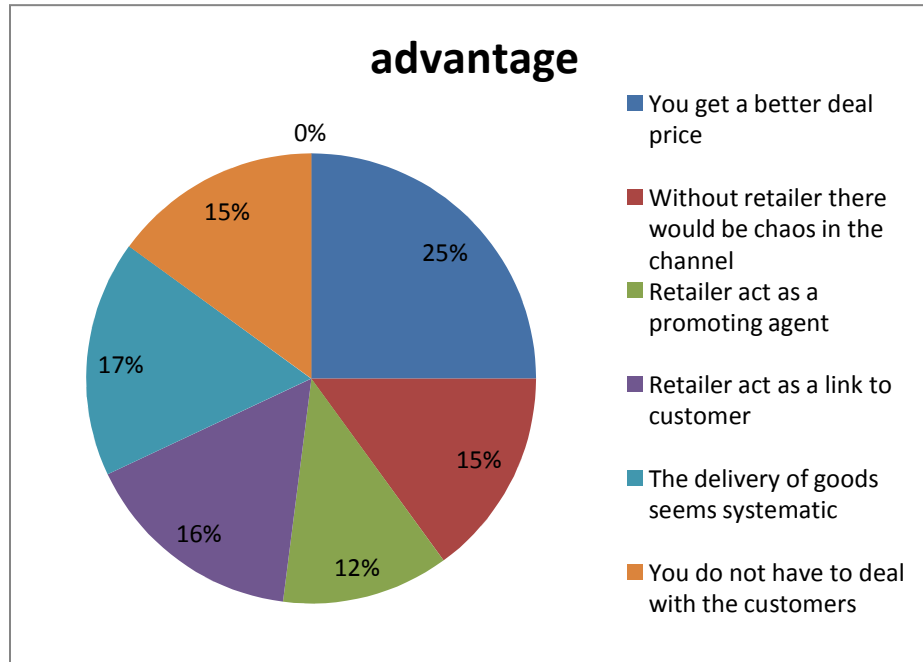
INTERPRETATION: From the above table and figure we can interpret that 75% of wholesaler sourcing the product from manufacturer and 25% wholesaler sourcing the project from agent/broker.

Analysis 2) ADVANTAGE OF DISTRIBUTION THROUGH RETAILER

TABLE: 4.1.2 ADVANTAGE OF DISTRIBUTION THROUGH RETAILER

Particulars	Percent %
You get a better deal price	25
Without retailer there would be chaos in the channel	15
Retailer act as a promoting agent	12
Retailer act as a link to customer	16
The delivery of goods seems systematic	17
You do not have to deal with the customers	15
I do not find it beneficial	0
Source: Primary data	

FIGURE 4.1.2 ADVANTAGE OF DISTRIBUTION THROUGH RETAILER



INTERPRETATION: From the above table and figure we can interpret that 25% of wholesalers get a better price deal with distribution through retailers, 15% of wholesaler are of view that without retailer there would be Chaos in the channel, 12% of wholesalers think retailers act as promoting agent, 16% of wholesalers think retailers act as a link to customer, 17% of wholesaler considered retailer delivered the good systematically, 15% of wholesaler say they do not have to deal with the customer.

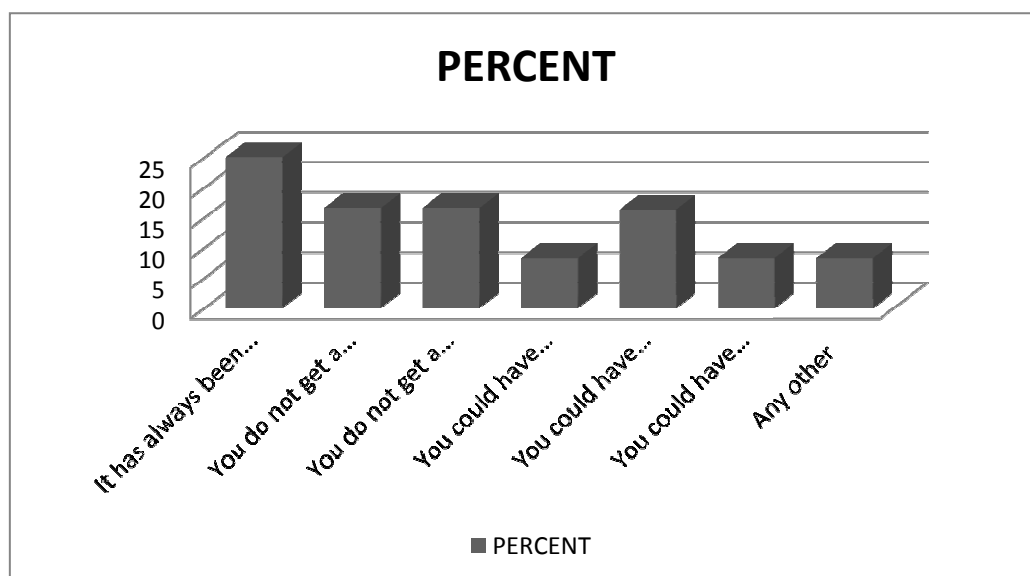
Analysis 3) DISADVANTAGE OF DISTRIBUTION THROUGH RETAILER

TABLE 4.1.3: DISADVANTAGE OF DISTRIBUTION THROUGH RETAILER

PARTICULARS	Percent (%)
It has always been inconvenient for you to distributethrough retailers	25
You do not get a good price deal	16.6
You do not get a better deal with customer directly	16.6
You could have promoted the products better	8.3
You could have earned higher profits	16.3
You could have avoided the hustle of dealing with the retailers like delayed payment or demanding of higher credit period	8.3
Any other	8.3

Sources: Primary sources

FIGURE 4.1.3 DISADVANTAGE OF DISTRIBUTION THROUGH RETAILER



INTERPRETATION: from the above table and figure, we can interpret that 16.6% of wholesalers' view that distribution through retailer is demerit because they do not get a better price deal as they do not deal with customers directly .8.3% of wholesaler thing they could have promoted the products better than retailer.

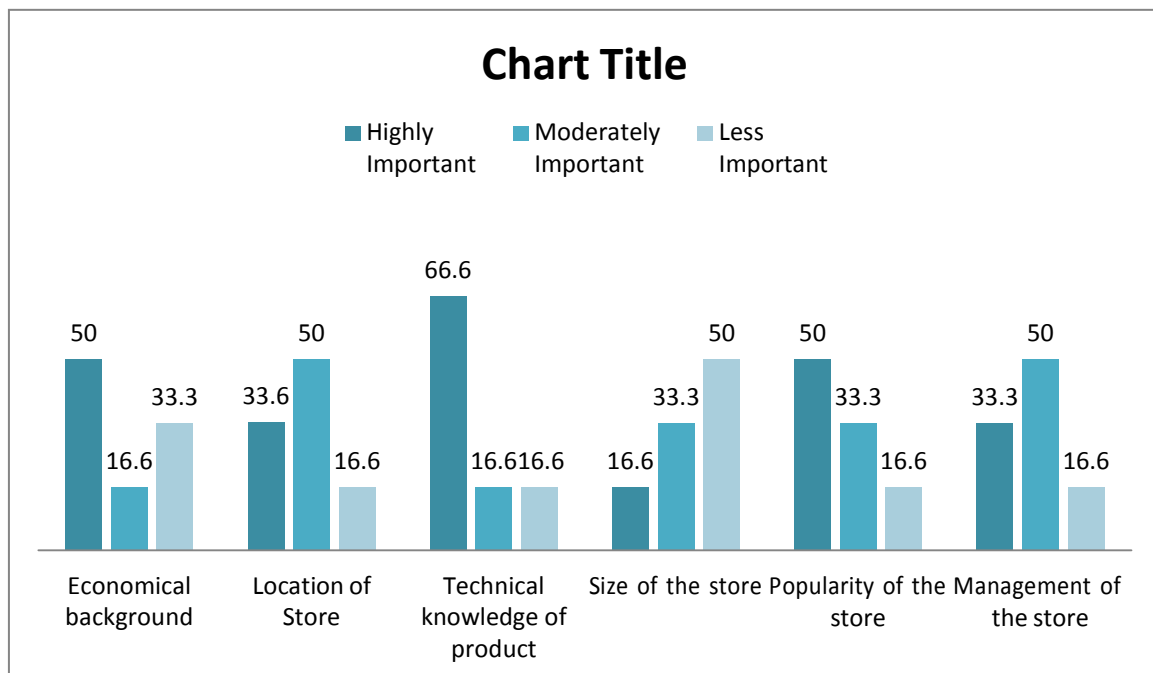
Analysis 4) PERIMETER IS CONSIDERED WHILE SELECTING RETAILER

TABLE: 4.1.4 PARAMETERS CONSIDERED WHILE SELECTING RETAILER

	Economical background	Location of Store	Technical knowledge of product	Size of the store	Popularity of the store	Management of the store
	%	%	%	%	%	%
Highly Important	50	33.6	66.6	16.6	50	33.3
Moderately Important	16.6	50	16.6	33.3	33.3	50
Less Important	33.3	16.6	16.6	50	16.6	16.6

Source: primary data

Figure 4.1.4 PERIMETERS PARAMETERS CONSIDERED WHILE SELECTING RETAILER



INTERPRETATION: from the above table and figure, we can interpret that 50% of wholesalers are of the view that economical background is highly important while selecting retailers . According to 33.3% of the wholesalers location of the store is highly important while selecting retailer, 66.6% of wholesalers think technical knowledge of product is known to the retailer is highly important and 33% of the wholesalers think management of the store is highly important while selecting retailer.

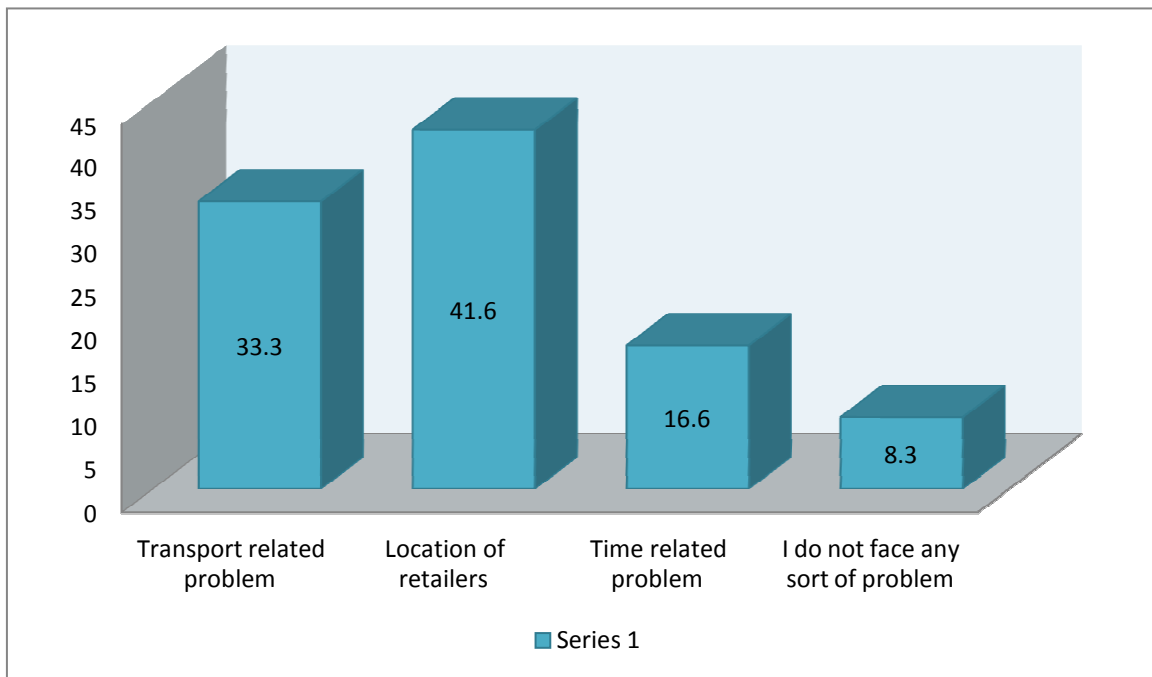
Analysis 5) PROBLEM FACED WHILE DELIVERING THE PRODUCT TO RETAILER

Table: 4.1.5 PROBLEM FACED WHILE DELIVERY IN THE PRODUCT TO RETAILER

Particulars	Percent (%)
Transport related problem	33.3
Location of retailers	41.6
Time related problem	16.6
I do not face any sort of problem	8.3

Source: Primary data

Figure: 4.1.5 PROBLEM FACED WHILE DELIVERY THE PRODUCT TO RETAILER



INTERPRETATION: From the above table and figure, we can interpret that 33% of wholesalers face transportation related problem while delivering the product to the retailers, 41.6% of wholesaler face location related problems of the retailers while delivering goods and 16.6% of wholesalers face time related problem while delivering the product to the retailers.

Analysis 6) RETAILERS LEVEL OF SATISFACTION WITH PROFIT MARGINS

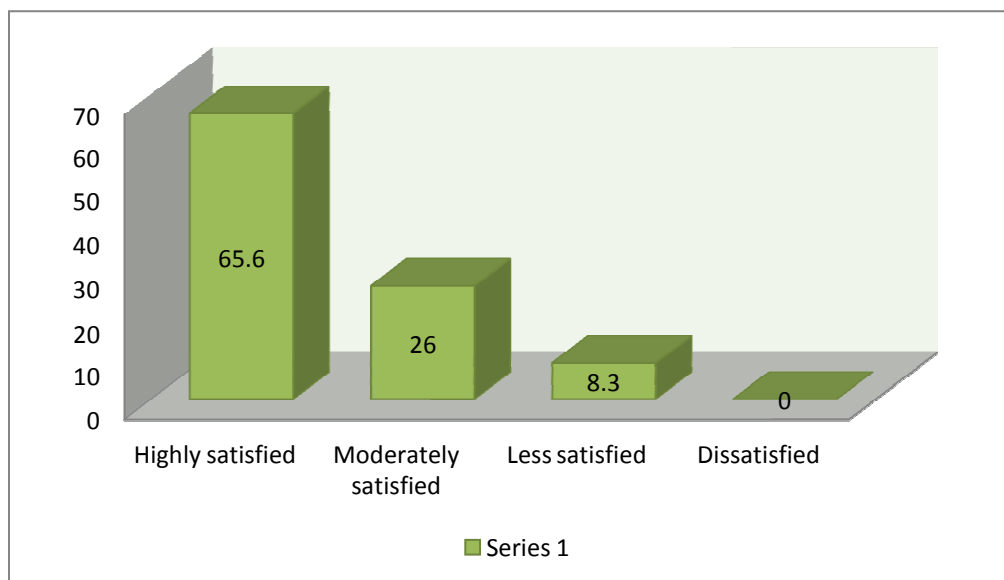
Table: 4.1.6 RETAILERS LEVEL OF SATISFACTION WITH PROFIT MARGINS

Particulars	Percent(%)
Highly satisfied	65.6
Moderately satisfied	26

Less satisfied	8.3
Dissatisfied	0

Source: Primary field survey 2023

Figure 4.1.6 RETAILERS LEVEL OF SATISFACTION WITH PROFIT MARGIN



INTERPRETATION: From the above table and figure, we can interpret that 65.6% of wholesalers are of the opinion that the retailers are highly satisfied with profit margins that they offer. 26% of wholesalers think that the retailers are moderately satisfied with profit margin that they offer and 8.3% of the wholesalers think that the retailers are less satisfied with profit margins that they offer. From the collected data it is observed that all retailers are satisfied to a certain extent.

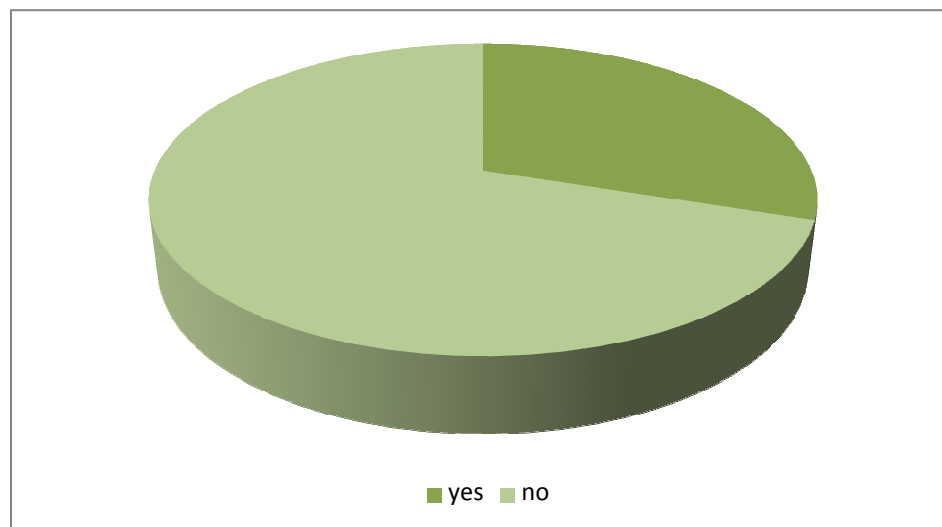
Analysis 7) RETAILERS PROVIDES SERVICE INFRASTRUCTURE AFTER SALES SERVICE

Table: 4.1.7 RETAILERS PROVIDES SERVICE INFRASTRUCTURE AFTERSALES SERVICE

Particulars	Frequency	Percent(%)
Yes	6	30
No	14	70

Source: Primary data

Figure: 4.1.7 RETAILERS PROVIDE SERVICE INFRASTRUCTURE AFTERSALES SERVICE



INTERPRETATION: From the above table and figure, we can interpret that 30% of wholesalers think that the retailers are providing service infrastructure after sales service. 70% of wholesalers think that the retailers are not providing service infrastructure after sales service.

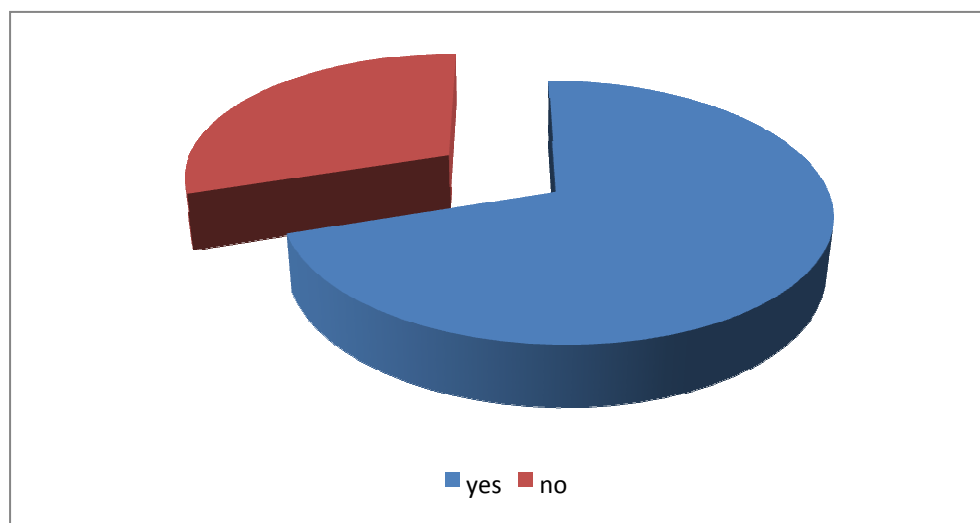
Analysis 8) RETAILERS PROVIDE FEEDBACK GENERATED FROM CUSTOMER

Table: 4.1.8 RETAILERS PROVIDE FEEDBACK GENERATED FROM CUSTOMERS

Particulars	Frequency	Percent (%)
Yes	15	70
No	5	30

Source: Independence field survey by the researcher 2023

Figure: 4.1.8 RETAILERS PROVIDE FEEDBACK GENERATED FROM CUSTOMERS



INTERPRETATION: From the above table and figure, we can interpret that 70% of wholesalers think that the retailers are providing appropriate feedback generated from customers while rest 30% of wholesalers are in view that the retailers are not providing appropriate feedback generated from customer.

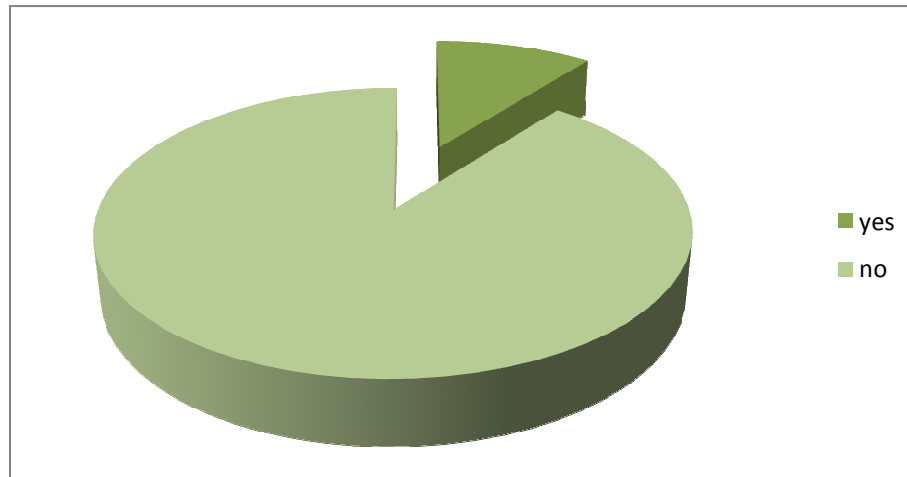
Analysis 9) RETAILERS COMPLAIN THAT THE PRODUCTS ARE HIGHLY PRICED

Table: 4.1.9 RETAILERS COMPLAIN THAT THE PRODUCTS ARE HIGHLY PRICED

Particulars	Frequency	Percent (%)
Yes	6	30
No	14	70

Source: Independence field survey by the researcher 2023

Figure: 4.1.9 RETAILERS COMPLAIN THAT THE PRODUCTS ARE HIGHLY PRICED



INTERPRETATION: From the above table and figure, we can interpret that 70% of wholesalers are of the view that retailers do not complain that products are highly priced as compared to other wholesalers while rest 30% of wholesaler things that retailers complain that the products are highly priced as compared to other wholesalers

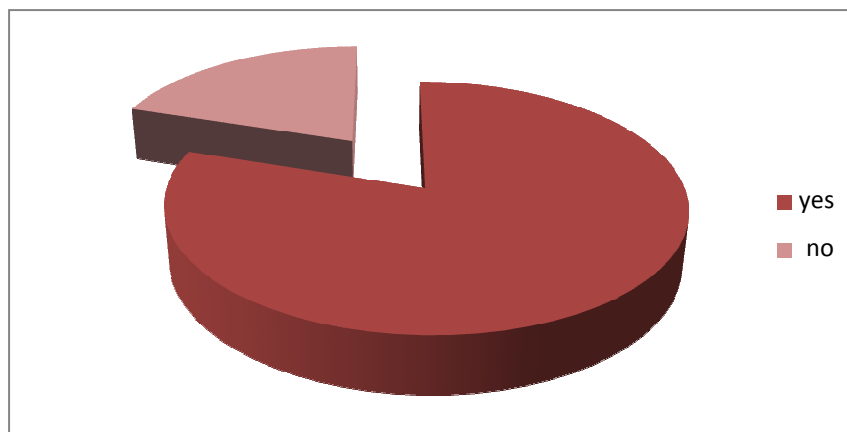
Analysis 10) RETAILERS PLAY IMPORTANT ROLE IN PRODUCT PROMOTION

**Table: 4.1.10 RETAILERS PLAY IMPORTANT ROLE IN
PRODUCTPROMOTION**

Particulars	Frequency	Percent (%)
Yes	16	80
No	4	20

Source: Primary data

**Figure: 4.1.10 RETAILERS PLAY IMPORTANT ROLE IN
PRODUCTPROMOTION**



INTERPRETATION

From the above table and figure, we can interpret that 80% of wholesalers think that the retailers play an important role in product promotion while rest 20% of wholesaler thing that retailers are not playing an important role in product promotion.

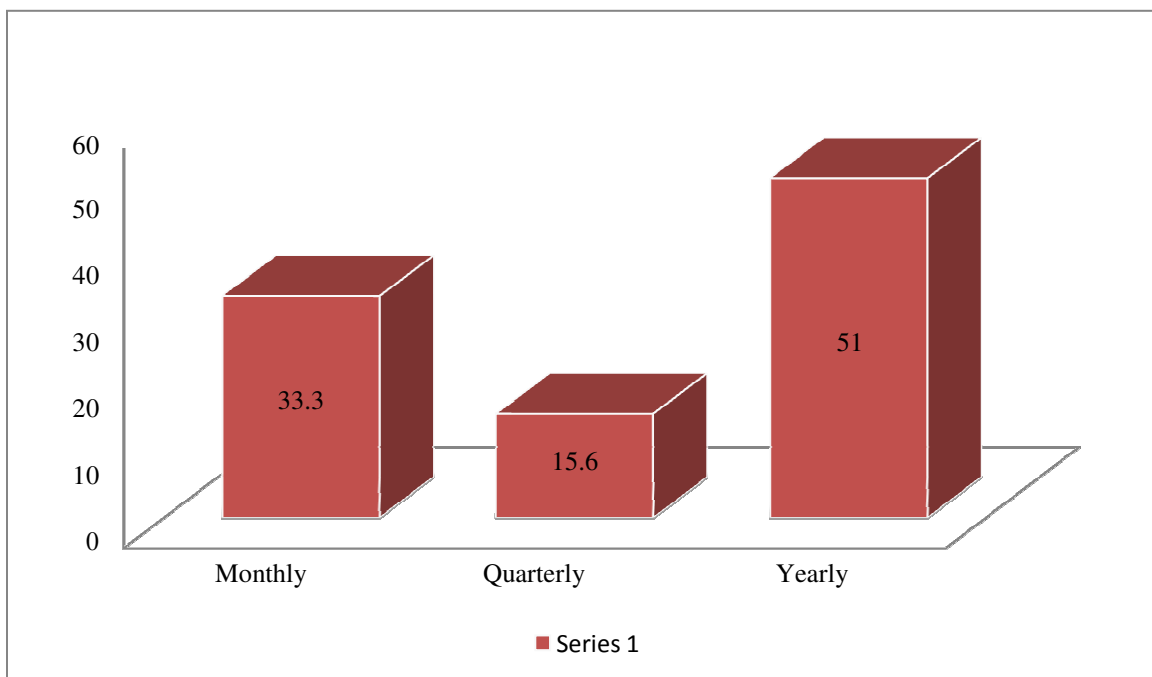
Analysis 11 FREQUENCY OF PERFORMANCE EVALUATION OF RETAILERS

Table: 4.1.11 FREQUENCY OF PERFORMANCE EVALUATION OF RETAILERS

Particulars	Frequency	Percent (%)
Monthly	6	33.3
Quarterly	3	15.6
Yearly	11	51
Total	20	100

Source: Primary data

Figure: 4.1.11 FREQUENCY OF PERFORMANCE EVALUATION OF RETAILERS



INTERPRETATION: From the above table and figure we can interpret that 33.3% of wholesalers evaluate the performance of retailers on monthly basis, 15.6% wholesalers evaluate the performance of retailers on quarterly basis while rest of 51% wholesalers evaluate the performance of retailers on yearly basis.

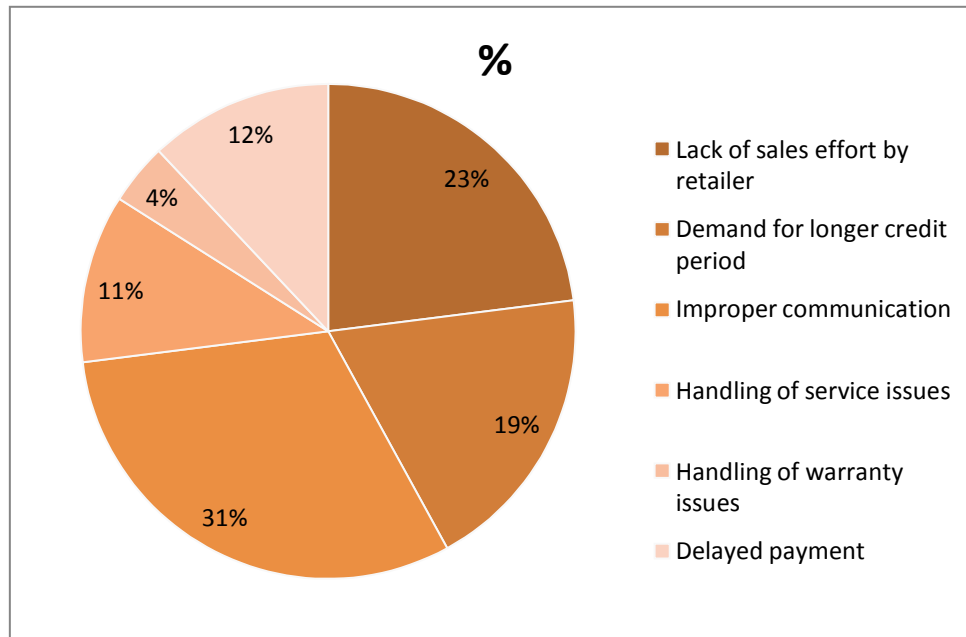
Analysis 12) REASONS OF CONFLICTS WITH RETAILERS

Table: 4.1.12 REASONS OF CONFLICTS WITH RETAILERS

Particulars	Percent (%)
Lack of sales effort by retailer	23
Demand for longer credit period	19
Improper communication	31
Handling of service issues	11
Handling of warranty issues	4
Delayed payment	12
Total	100

Source: Independent field survey by researcher, 2023

Figure: 4.1.12 REASONS OF CONFLICTS WITH RETAILERS



INTERPRETATION: From the above table and figure we can interpret that 31% of wholesaler think that the reason of conflict with retailer is due to improper communication 23% of wholesalers think that the reason of conflict with retailer is due to lack of sales afford by retailers 19% of wholesalers think that the reason of conflict with retailer is due to demand for longer credit period 12% of wholesalers think that the reason of conflict with retailer is due to delete payment 11% of wholesalers think that the reason of conflict with retailer is due to handling of service issues where is 4% of wholesalers think that reason of conflict with retailers is due to handling of warranty issues

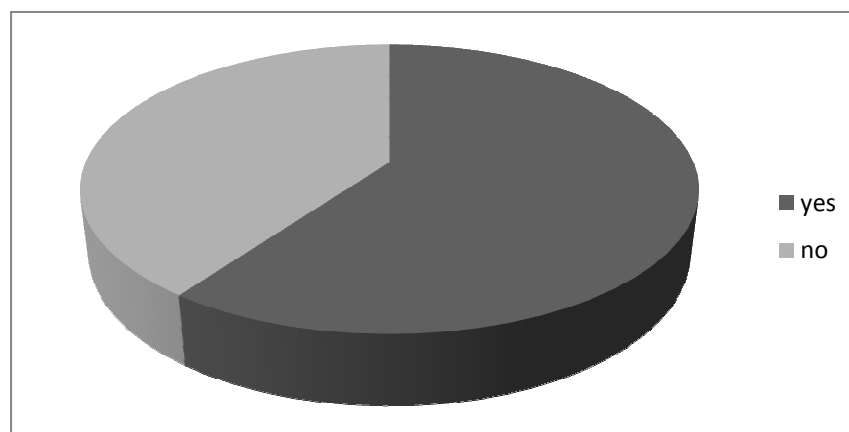
Analysis 13) PERCEPTION REGARDING BENEFICIARIES OF DIRECTLY SELLING THE PRODUCT TO CONSUMER

Table: 4.1.13 PERCEPTION REGARDING BENEFICIARIES OF DIRECTLYSELLING THE PRODUCT TO CONSUMER

Particulars	Frequency	Percent (%)
Yes	12	60
No	8	40

Source: Independent field survey by researcher, 2023

Figure: 4.1.13 PERCEPTION REGARDING BENEFICIARIES OF DIRECTLYSELLING THE PRODUCT TO CONSUMER



INTERPRETATION: From the above table and figure, we can interpret that 60% of wholesalers in view that the directly selling the product to the consumer is beneficial for them where is 40% of wholesaler is in view that the direct selling of the product to the consumer is not beneficial for them.

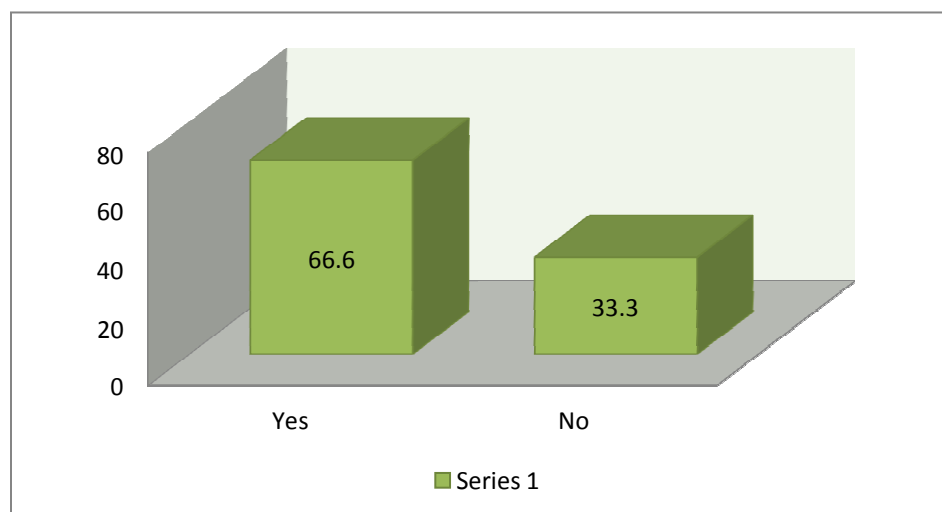
Analysis 14) ANY THREAT FROM RETAILERS WHILE CONDUCTING THE BUSINESS

Table: 4.1.14 ANY THREAT FROM RETAILERS WHILE CONDUCTING THE BUSINESS

Particulars	Percent (%)
Yes	66.6
No	33.3

Source: Independent field survey by researcher, 2023

Figure: 4.1.14 ANY THREAT FROM RETAILERS WHILE CONDUCTING THE BUSINESS



INTERPRETATION: From the above table and figure, we can interpret that 66.6% of wholesalers have a threat from retailers while conducting the business while 33.3% of wholesalers do not have any kind of threat from retailers while conducting the business.

Analysis and Interpretation of Retailer:

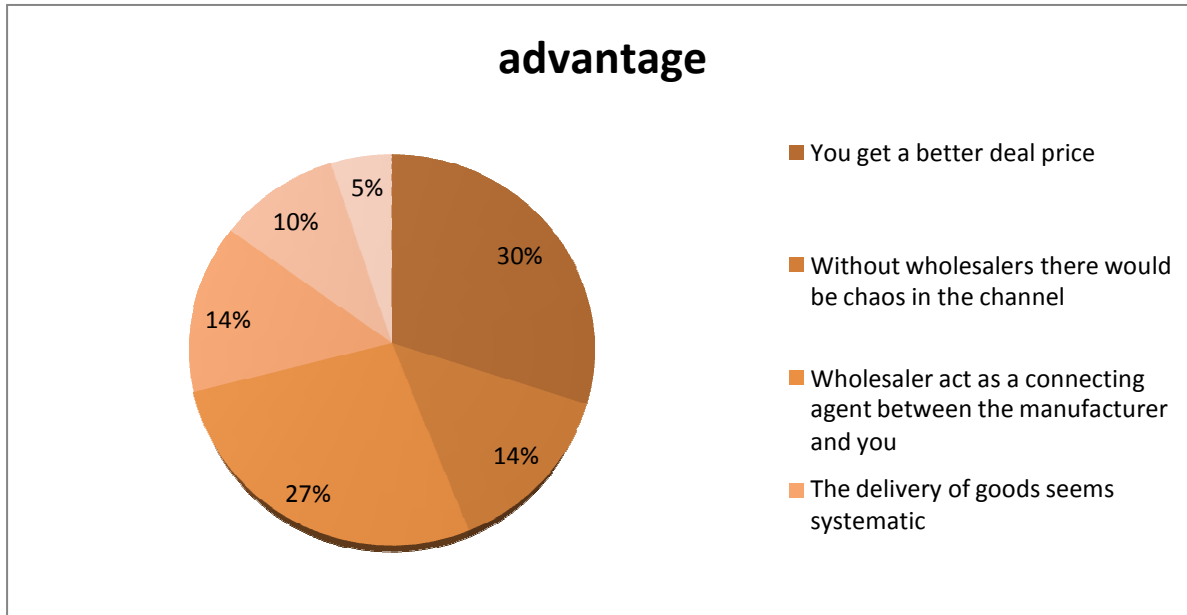
Analysis 1) ADVANTAGE OF SOURCING THE PRODUCT FROM WHOLESALER

Table: 4.2.1 ADVANTAGE OF SOURCING THE PRODUCT FROM

Particulars	Percent (%)
You get a better price deal	30
Without wholesaler there would be Chaos in the channel	14
Wholesaler act as a connecting agent between the manufacturer and you	27
Delivery of the goods seems systematic	14
You do not have to get through the hustles of contacting the manufacturer	10
I do not find it beneficial	5

Source: Primary data

Figure 4.2.1 ADVANTAGE OF SOURCING THE PRODUCT FROM WHOLESALE



INTERPRETATION: From the above table and figure ,we can interpret that 30% of retailer think that they get a better price deal ,14% of retailers think that without wholesaler there would be Chaos in the channel ,27% of retailers think that wholesaler act as a connecting agent between the manufacturer andthem, 14% of retailers think wholesaler delivered the good systematically ,10% of retailers think they do not have to get through hustle of conducting the manufacturer.

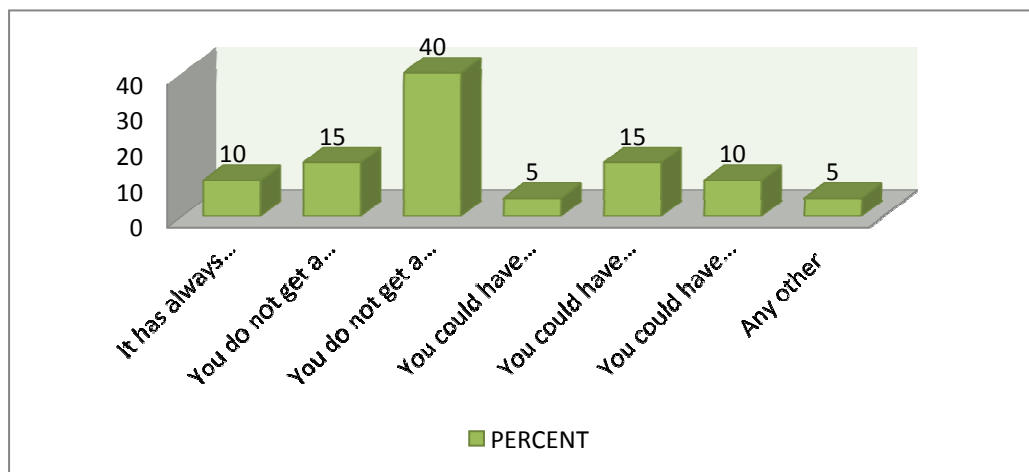
Analysis 2) DISADVANTAGE OF SOURCING THE PRODUCT FROM WHOLESALE

TABLE 4.2.2: DISADVANTAGE OF SOURCING THE PRODUCT FROM WHOLESALE

PARTICULARS	Percent (%)
It has always been inconvenient for you to sourcing from wholesaler	10
You do not get a good price deal	15
You do not get a better deal with customer directly	40
You could have promoted the products better	5
You could have earned higher profits	15
You could have avoided the hustle of dealing with the wholesaler like delayed payment or demanding of higher credit period	10
Any other	5

Source: Primary data

FIGURE: 4.2.2 DISADVANTAGE OF SOURCING THE PRODUCT FROM WHOLESALE



INTERPRETATION: From the above table and figure we can interpret that 15% of retailers think that sourcing the product from wholesaler is demerit because they do not get a better price deal and 40% think that they do not deal with manufacturer directly, 15% of retailers think that they could have promoted the products better than wholesaler and could have earned higher profit

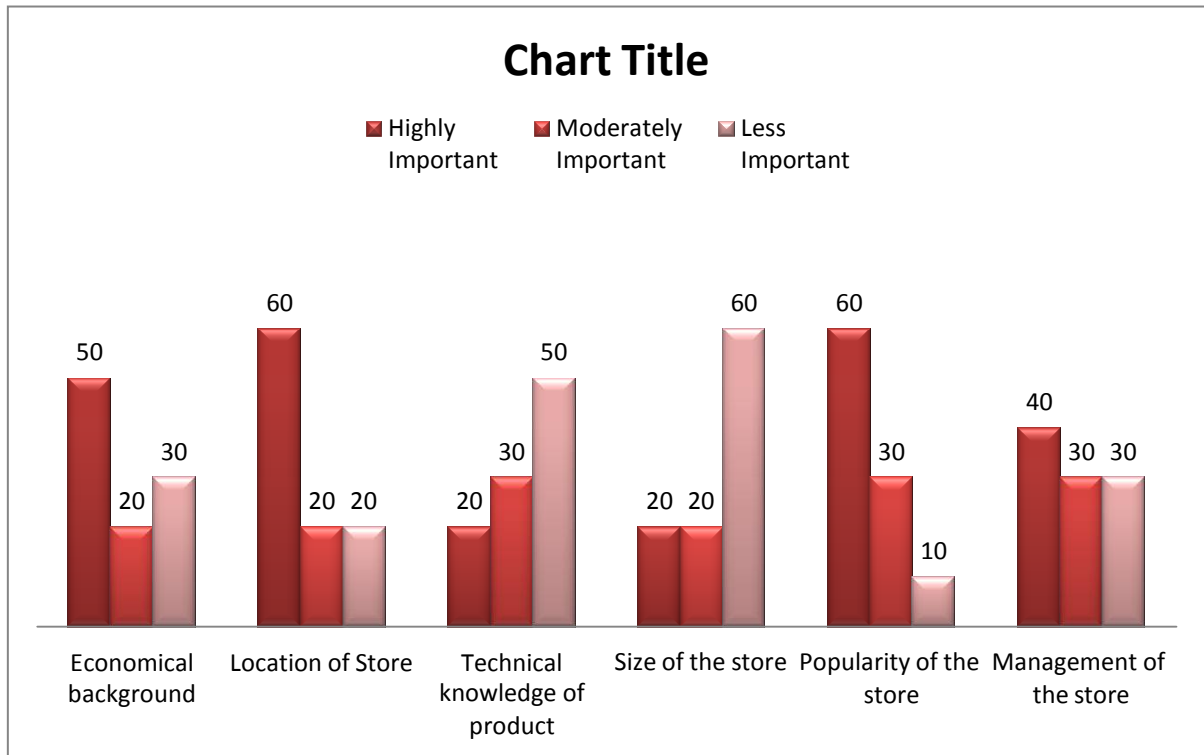
Analysis 3) PERAMETER IS CONSIDERED WHILE SELECTING WHOLESALEERS

TABLE: 4.2.3 PARAMETERS CONSIDERED WHILE SELECTING WHOLESALEERS

	Economical background	Location of Store	Technical knowledge of product	Size of the store	Popularity of the store	Management of the store
	%	%	%	%	%	%
Highly Important	50	60	20	20	60	40
Moderately Important	20	20	30	20	30	30
Less Important	30	20	50	60	10	30
Total	100	100	100	100	100	100

Source: primary data

**Figure 4.2.3 PARAMETERS CONSIDERED WHILE
SELECTING WHOLESALERS**



INTERPRETATION: From the above table and figure we can interpret that 50% of retailers think economical back ground is highly important while selecting wholesalers, 60% of Retailers think location of store is highly important while selecting wholesalers, 20% of retailers think technical knowledge of project is highly important and 40% of retailers think management of the store is highly important while selecting wholesalers

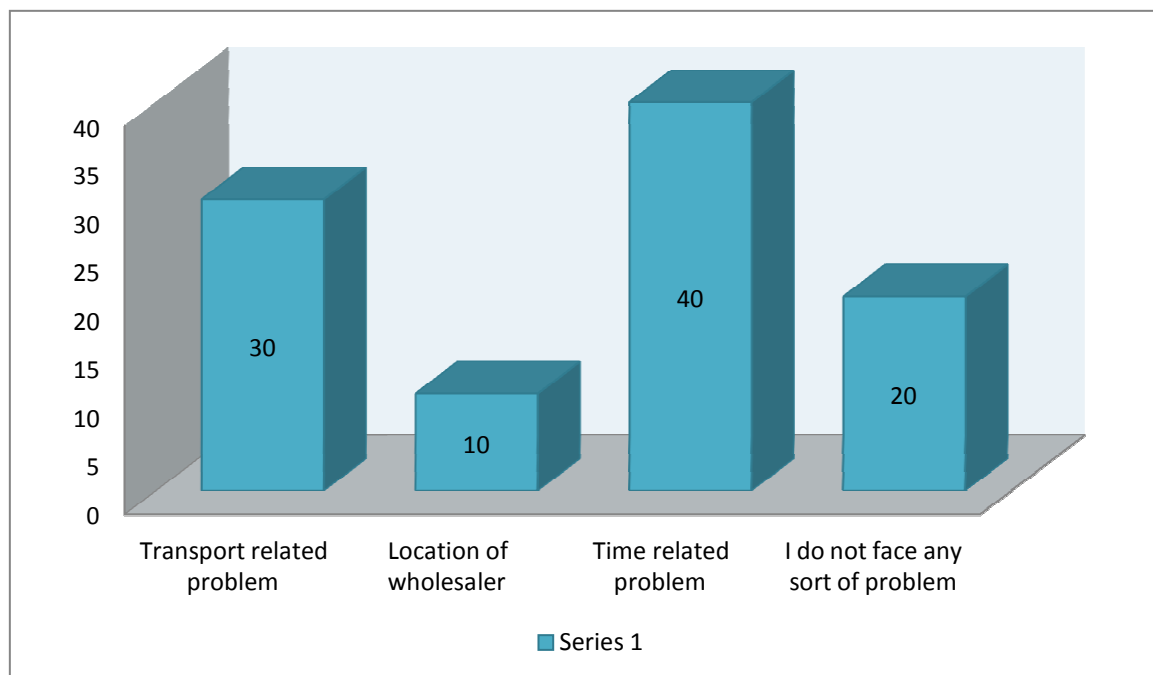
Analysis 4) PROBLEM FACED WHILE SOURCING THE PRODUCT FROM WHOLESALE

Table: 4.2.4 PROBLEM FACED WHILE SOURCING THE PRODUCT FROM WHOLESALE

Particulars	Percent (%)
Transport related problem	30
Location of the wholesalers	10
Time related problem	40
I do not face any sort of problem	20

Source: Primary data

Figure: 4.2.4 PROBLEM FACED WHILE SOURCING THE PRODUCT FROM WHOLESALE



INTERPRETATION : From the above table in figure we can interpret that 30% of retailers face transport related problem while sourcing the product from wholesalers , 10% of retailers think location of the wholesaler is a problem while sourcing the product from wholesaler, 40% of retailers face time related problem while sourcing the product from the wholesalers and 20% of retailers do not have any problem.

Analysis 5) RETAILERS LEVEL OF SATISFACTION WITH PROFIT MARGINS

Table: 4.2.5 RETAILERS LEVEL OF SATISFACTION WITH PROFIT MARGINS

Particulars	Percent(%)
Highly satisfied	20
Moderately satisfied	10
Less satisfied	40
Dissatisfied	30

Source: Primary field survey 2023

Figure 4.2.5 RETAILERS LEVEL OF SATISFACTION WITH PROFIT MARGIN



INTERPRETATION: From the above table and figure, we can interpret that 20% of retailers are highly satisfied with profit margins that are offered by wholesalers 10% of retailers are moderately satisfied with profit margins that are offered by wholesalers and 40% of retailers are less satisfied and 30% of retailers and not satisfied

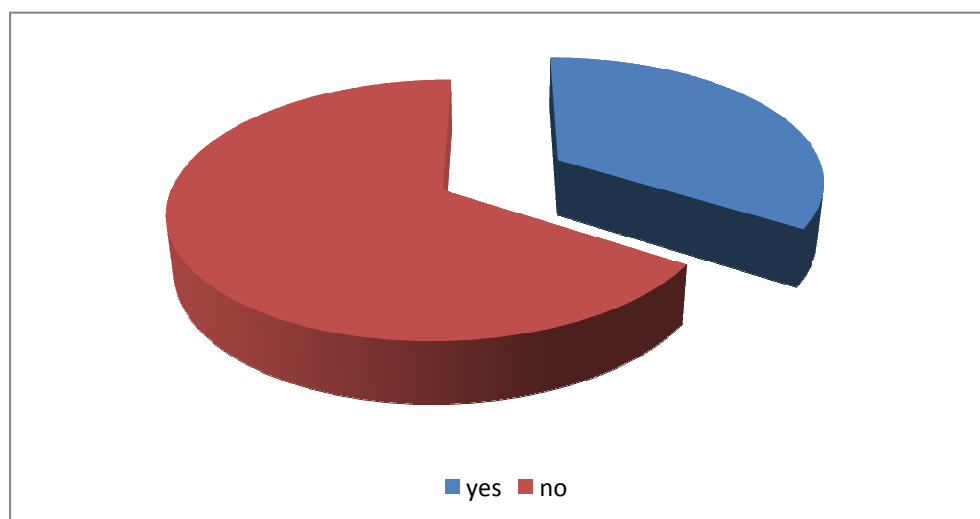
Analysis 6) WHOLESALERS PROVIDE INFORMATION CONVEYED BY MANUFACTURER

Table: 4.2.6 WHOLESALERS PROVIDE INFORMATION CONVEYED BYMANUFACTURER

Particulars	Frequency	Percent (%)
Yes	10	34
No	20	66

Source: Independence field survey by the researcher 2023

Figure 4.2.6 WHOLESALERS PROVIDE INFORMATION CONVEYED BYMANUFACTURER



INTERPRETATION: From the above table and figure we can interpret that 34% of wholesalers providing appropriate informations conveyed by manufacture while rest 66% of a wholesalers are not providing information conveyed by manufacturer

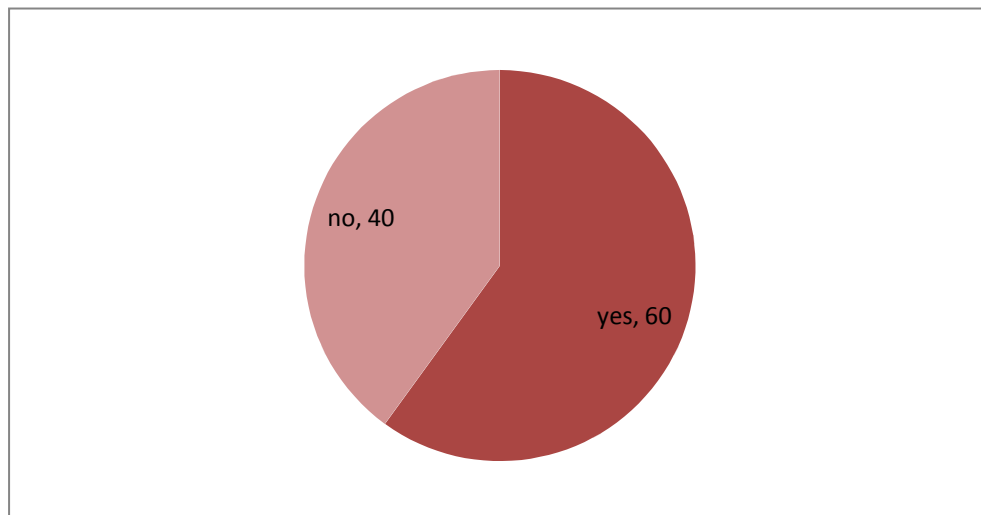
Analysis 7) WHOLESALERS PLAY IMPORTANT ROLE IN PRODUCT DELIVERY

**Table: 4.2.7 WHOLESALERS PLAY IMPORTANT ROLE IN
PRODUCT DELIVERY**

Particulars	Frequency	Percent (%)
Yes	18	60
No	12	40

Source: Primary data

**Figure: 4.2.7 WHOLESALERS PLAY IMPORTANT ROLE IN
PRODUCT DELIVERY**



INTERPRETATION: From the above table and figure we can interpret that 60% of retailers think that wholesalers play an important role in product delivery while 40% of retailers think that wholesaler does not play an important role in product delivery.

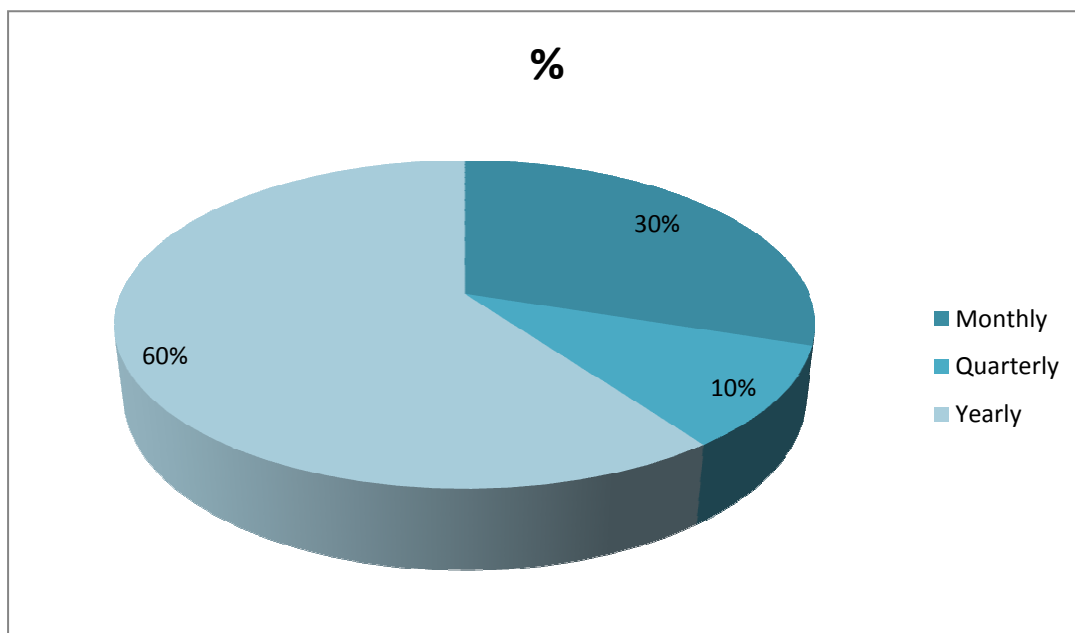
Analysis 8 FREQUENCY OF PERFORMANCE EVALUATION OF WHOLESALEERS

Table: 4.2.8 FREQUENCY OF PERFORMANCE EVALUATION OF WHOLESALEERS

Particulars	Percent (%)
Monthly	30
Quarterly	10
Yearly	60

Source: Primary data

Figure: 4.2.8 FREQUENCY OF PERFORMANCE EVALUATION OF WHOLESALEERS



INTERPRETATION: From the above table and figure ,we can interpret that 30% of retailers evaluate the performance of wholesalers on monthly basis ,10% of retailers evaluate the performance of wholesaler on quarterly basis while rest of 60% retailer evaluate the performance of wholesalers on yearly basis

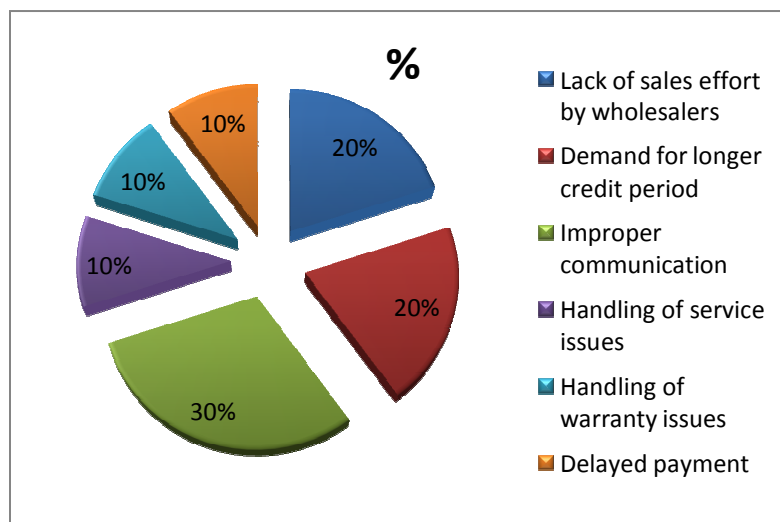
Analysis 9) REASONS OF CONFLICTS WITH WHOLESALERS

Table: 4.2.9 REASONS OF CONFLICTS WITH WHOLESALERS

Particulars	Percent(%)
Lack of sales effort by wholesalers	20
Demand for longer credit period	20
Improper communication	30
Handling of service issues	10
Handling of warranty issues	10
Delayed payment	10

Source: Primary data

Figure: 4.2.9 REASONS OF CONFLICTS WITH WHOLESALERS



INTERPRETATION: From the above table and figure we can enterprises that 30% of retailers gives view that the reason of conflicts with wholesaler due to improper communication 20% of retailers think that reasons of conflict with wholesalers is due to lack of sales efforts by retailers 10% of retailers thing that reasons of conflict with wholesaler is due to delayed payment where as 10% of retailers think that reasons of conflict with wholesaler is due to handling of warranty and service issues.

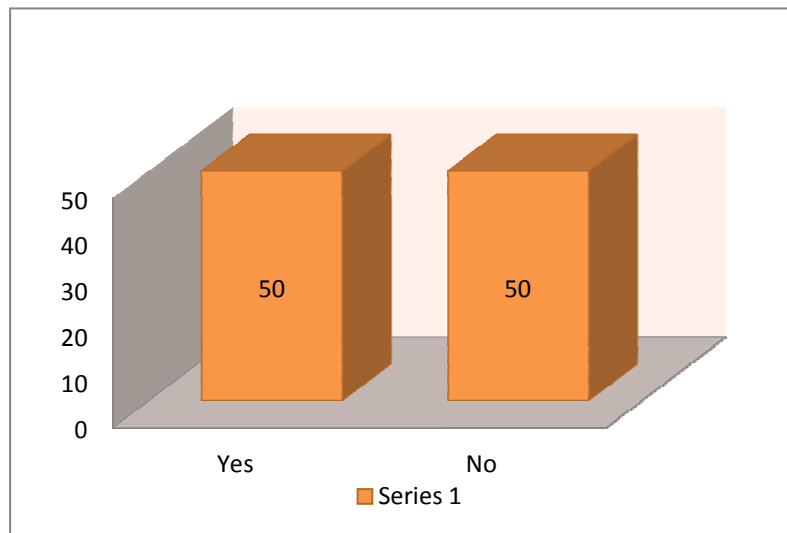
Analysis 10) WHETHER BENEFICIAL TO PURCHASE PRODUCT DIRECTLY FROM MANUFACTURER OR NOT

Table: 4.2.10 WHETHER BENEFICIAL TO PURCHASE PRODUCT DIRECTLYFROM MANUFACTURER OR NOT

Particulars	Percent (%)
Yes	50
No	50

Source: Primary data

Figure: 4.2.10 WHETHER BENEFICIAL TO PURCHASE PRODUCT DIRECTLY FROM MANUFACTURER OR NOT



From the above table and figure we can interpret that 50% of retailers think that directly purchasing the product from the manufacturer is beneficial for them whereas 50% of retailers think that directly purchasing the product from the manufacturer is not beneficial for them.

CHAPTER 5

FINDINGS AND CONCLUSION

5.1 Findings:

1. The study indicates that the 70% wholesalers have 4 - 5 members in their stores
2. In the study it is observed that 60% of wholesalers deal with 8 to 10 retailers in a month
3. The 75% of wholesalers purchase their products from manufacturers
4. The study makes clear that 80% of wholesalers distribute their products through retailers because they act as a promoting agent, act as a link to customer and also get a better price deal
5. From the study it is clear that 60% of the wholesalers think that distribution through retailers is not beneficial because they cannot deal with the customers directly they also could have promoted the products better sum of them think they could have avoided the hustle of delete payment or demanding of higher credit period
6. This study indicates that while selecting the retailers majority of wholesalers considered the economical background as highly

important location of store as moderately important technical knowledge of the product is highly important size of the store as less important popularity of the store as highly important

7. This study indicates that maximum of the wholesalers face problems related to location of the retailers and transportation facilities while as the maximum of the retailer face problems related to time while sourcing the product from wholesalers
8. From the study it is clear that maximum of the wholesalers think that retailers are highly satisfied with profit margins that day . On the other hand, maximum of the retailers are not satisfied with profit margins that they are being offered
9. The study indicates that majority of the wholesalers think that retailers do not provide the service infrastructure for after sales service
10. The study indicates that 60% of the wholesalers are in view that retailers provide feedback generated from customers
11. From the study it is clear that majority of the wholesaler said that retailers do not complain that the products are highly priced as compared to other wholesalers. On the other hand, some of the retailers said that products are highly priced as compared to other wholesalers.
12. From the study it is clear that maximum of the wholesaler thing that retailers play an important role in product promotion

13. This study conclude that maximum of wholesalers evaluate the performance of retailers on early basis
14. It it was observed that the main reason for conflict with retailers include communication, delayed payments and lack of efforts by retailers.
15. In order to initiate the problems facing from retailers, maximum of the wholesaler stake the common following strategies-
 - In order to increase the sales efforts of retailers they provide some offers like free delivery of the products and sometimes they give some more discounts
16. From the studied is clear that it seems beneficial for the wholesalers to sell the product directly to the consumer because it will save their time and can earn more profit
17. They study implies that majority of wholesalers felt threat from the retailers while conducting the business because they do not make payment on time.
18. The study makes clear that majority of the retailers sourcing their product from wholesalers because they get a better price deal, they act as a connecting agent between the manufacturer and retailer and

they also think that without wholesalers there would be Chaos in the channel.

19. From the study it is clear that most of the retailers think that sourcing their product from wholesalers is not beneficial because they cannot deal with the manufacturer directly they also could have promoted their products better
20. The study indicates that while selecting the wholesalers, majority of retailers considered the economical background is highly important, location of the store is highly important, technical knowledge of product is less important , size of the store is less important, popularity of the store is highly important and management of the stories highly important.
21. The study conclude that maximum of the retailers evaluate the performance of wholesalers on yearly basis.
22. From the study it is observed that the main reason for conflict with wholesalers are due to improper communication, delaying in supply of products and lack of efforts by wholesalers.
23. In order to solve the problems facing from wholesalers, maximum of the retailers take the common following strategies-
 - In order to reduce communication problem retailers not only ordered the products for belly but also in written forms.

- In order to get the products on time from wholesalers they go on reminding them through telephone or else they warn them if they do not supply the products on time they will shift to other wholesalers.

24. From the study it is clear that half 50% of the retailers think that it seems beneficial for them to source the products directly from the manufacturer because they could get more profit margins and half 50% of the retailers think that it does not seem beneficial for them because it is expensive and time consuming.

25. This study implies that majority of retailers felt threat from the wholesalers while conducting the business because of bad management and improper communication.

5.2 Suggestion:

For proper development of distribution channel of FMCG goods in Rangia Town it is necessary to evolve strategies to suit various conditions in different areas of distribution here are some measures to solve problems.

1. Even though channel of distribution is never free from problems but necessary steps will avoid such problems for which both wholesalers and retailer should try to get the best action as required in the situation by bringing changes development and flexibility according to the changes in the marketing environment.
2. It should deal with proper communication tools in order to avoid problems caused from delivery time of goods and also payment issues.
3. Main problem with wholesalers and retailers is that most of this storeowner are not much knowledgeable and do not show any interest or efforts towards initiative since their only concern is to earn profit without concerning about social responsibility.

From the above suggestions it is visible that development of the sectors are required. Basically in the distribution channel of FMCG goods in the town of Rangia for which it is important to create awareness regarding credit and finance related and timely and proper distribution related facilities available for this sector, such awareness will help to make it successful and efficient distribution channel.

5.3 Conclusion:

The study demonstrates that wholesalers and retailers are the two important types of middleman forming a part of distribution channels. They act as an intermediary link between the manufacturers and the consumer of goods. They specialize in providing a wide range of services for both the producers as well as the consumers. They reduce the amount of efforts required by manufacturer in distributing his product to the final consumers and provide first market coverage to his products. To have an overview of the problem and impact of channel conflict faced by the wholesalers and retailers of FMCG

products category. As far the objective of the study, after analysis of the data it was found that the main reason for channel conflict between them is due to lack of efforts of both the parties in their perspective works responsibility and also due to their improper communication between them. In order to capture the market, the both the parties need to manage their channel distribution efficiently and to address their grievance immediately. The successful distribution channel leads to the customer satisfaction which in turn leads to success of FMCG companies. In order to make the distribution successful, the companies need to build a complete or build the trust, increase their credit period, avoid in dealing the supply and channel distribution. So there should be a positive relationship between members of distribution channel.

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ANNEXTURE-1

TOPIC: A study on problems faced by wholesalers and retailers in the distribution channels of FMCG product with reference to Rangia Town.

SCHEDULE FOR WHOLESALER

1. Name of the store:
2. Year of establishment of the store:
3. Location of the store:
4. Number of members in the store:
5. What type of products you deal with?

6. What is the approx number of retailers you deal with in a month?

7. From whom do you purchase the products?

☐ Manufacturer ☐ Agent/Broker ☐ Other (if any)

8. In which of the following ways do you think distribution throw a retaileris beneficial for you?

☐ You get a better deal price

- ☐ Without retailer there would be chaos in the channel
- ☐ Retailer act as a promoting agent
- ☐ Retailer act as a link to customer
- ☐ The delivery of goods seems systematic
- ☐ You do not have to deal with the customers
- ☐ I do not find it beneficial
- ☐ Any other _____

9. In which of the following ways do you think distribution through a retailer is a disadvantage for you?

- ☐ It has always been inconvenient for you to distribute through retailers
- ☐ You do not get a good price deal
- ☐ You do not get a deal with the customer directly
- ☐ You could have promoted the products better
- ☐ You could have earned higher profits
- ☐ You could have avoided the hustle of dealing with the retailers like delayed payment or demanding of higher credit period
- ☐ Any other _____

10. Rate the following parameters which you consider while selecting retailer?

Particulars	Highly Important	Moderately Important	Less Important
a) Economical background			
b) Location of Store			
c) Technical knowledge of product			
d) Size of the store			
e) Popularity of the store			
f) Management of the store			

11. What kind of problem you face while delivery in the product to retailers?

- ☐ Transport related problem
- ☐ Location of retailers
- ☐ Time related problem
- ☐ I do not face any sort of problem

12. Do you think the retailers are satisfied with profit margins you are offering?

- ☐ Highly satisfied
- ☐ Moderately satisfied
- ☐ Less satisfied
- ☐ Dissatisfied

13. Do the retailers contribute in providing service infrastructures for after sales service?

- ☐ Yes ☐ No

14. Do the retailers provide you with appropriate feedback generated from customers?

☐ Yes ☐ No

15. Do the retailers complain that the products are highly priced is compared to other wholesalers?

☐ Yes ☐ No

16. Do you think retailers play an important role in product promotion? Yes

☐ ☐ No

17. How frequently do you evaluate the performance of retailers?

☐ Monthly ☐ Quarterly ☐ Yearly

18. Rate the following reasons of conflict with retailers?

Particulars	
Lack of sales effort by retailers	
Demand for longer credit period	
Improper communication	
Handling of service issues	
Handling of warranty issues	
Delayed payment	

☐ Any other _____

19. Does it seem beneficial for you to directly sell your product to consumer? Yes

☐ ☐ No

20. Have you ever felt any thread from your retailers regarding the conduct of your business?

☐ Yes ☐ No

If Yes, please specify _____

ANNEXURE 2

TOPIC: A study on the problems faced by wholesalers and retailers in the distribution channels of FMCG product with reference to Rangia Town.

SCHEDULE FOR RETAILER:

1. Name of the store:
2. Year of establishment of the store:
3. Location of the store:
4. Number of members in the store:
5. What types of products you deal in?

-
6. What is the approx number of wholesalers you deal with in a month?

-
7. In which of the following ways do you think the sourcing the product from the wholesalers is beneficial for you?

- ☐ You get a better price deal
- ☐ Without wholesaler there would be Chaos in the channel
- ☐ Wholesaler act as a connecting agent between the manufacturer and you
- ☐ The delivery of goods seems systematic
- ☐ You do not have to get through the hustles of contacting the manufacturer
- ☐ I do not find it beneficial

8. In which of the following ways do you think the sourcing of the product from the wholesalers is a demerit for you?

- ☐ It has always been inconvenient for you to sourcing from wholesaler
- ☐ You do not get a good price deal
- ☐ You do not get a deal with the manufacturer directly
- ☐ You could have promoted the products better
- ☐ You could have earned higher profits
- ☐ You could have avoided the hustle of dealing with the wholesaler like delayed payment or demanding of higher credit period
- ☐ Any other

9. Rate the following parameters which you consider while selecting wholesaler?

Particulars	Highly Important	Moderately Important	Less Important
a) Economical background			
b) Location of Store			
c) Technical knowledge of product			
d) Size of the store			
e) Popularity of the store			
f) Management of the store			

10. What kind of problem you face while sourcing the product from wholesalers?

Transport related problem

- ☐ Location of retailers
- ☐ Time related problem
- ☐

☐ I do not face any sort of problem

11. Are you satisfied with the profit margin offered to you by the wholesalers?

☐ Highly satisfied

☐ Moderately satisfied

☐ Less satisfied

☐ Dissatisfied

12. Do the wholesalers provide you with appropriate product information conveyed by the manufacturer?

☐ Yes

☐ No

13. Do you think wholesaler play an important role in the product delivery?Yes

☐

☐ No

14. How frequently do you evolve with the performance of wholesalers?

☐ Monthly

☐ Quarterly

☐ Yearly

15. Rate the following reasons of conflict with wholesalers?

Particulars	
Lack of sales effort by wholesaler	
Demand for longer credit period	
Improper communication	
Handling of service issues	
Handling of warranty issues	
Delayed payment	

☐ Any other _____

16. What are the strategies that you initiated to deal with the problems you have been facing from your wholesalers?

17. Does it seem beneficial for you to directly purchase your product from the manufacturer?

☐

Yes

☐

No

18. Have you ever felt any threat from your wholesalers regarding the conduct of your business?

☐

Yes

☐

No

If Yes, please specify _____