

CHAPTER SIX

Findings and Suggestions

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6.1 FINDINGS.

6.2 SUGGESTIONS.

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FINDINGS & SUGGESTIONS6.1 FINDINGS :

- 1) Out of the total value of Sales made during the year 1985, OEM market accounted for 70% and Replacement market 30%.
- 2) Both the OEM and Replacement market show an increasing trend with regard to sales. However, in the case of OEM market, the rate of increase in sales was slower when compared to Replacement Market.
- 3) Menon Pistons Pvt Ltd., has a 21% share of the total Piston market in India and stands second to Escorts Ltd., which holds a lion's share of 30% of the total market.
- 4) The company's filling system is satisfactory with regard to the marketing department.
- 5) The company's marketing Expenses ratio increased to 2.9% in 1985. When compared to 2.18% in 1984. In spite

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of an increase in the marketing expenses, Sales showed a net decline of 4.9% during 1985 taking 1984 as base year.

- 6) The total purchases of raw-materials of the company between the years 1983 and 1985 is fluctuating and this is due to fluctuations in sales.
- 7) The Home market has been showing an increasing trend in Sales. During 1984 Home Market Sales increased by 49%. While in 1985 the increase was only 32%. However, with regard to foreign market, the situation was bad. There was infact a decline in the Foreign market the sale by 93% in 1985 and as a result of this fall in foreign market sales the total sales of the company also declined by 4.9%.
- 8) The company prices its products on the basis of full cost method. The prices in the case of OEM market are quoted 'freight to pay' while in the case of Replacement market "Freight paid%". The prices of the company's pistons are much lower when compared

to that of other leading competitors.

- 9) The company adopts an intensive growth strategy and a market penetration pricing policy. With such a strategy, personal selling and sales promotion of the promotional Mix play key roles in promotion. Advertising is, however used in small doses.
- 10) The company's four major OEM suppliers are Kirloskar Cummins, Mahindra and Mahindra, Kirloskar Pneumatics, and Rustom and Harshy.
- 11) The company faces no competition from the public sector. However, the following private companies compete with Menon Pistons -
 - a) Escorts Ltd., Bangalore
 - b) Shriram Pistons, Gaziabad
 - c) Indis Pistons Ltd., Madras
 - d) Auto Pistons Ltd., Amritsar.
- 12) The recent recession has badly affected the business of Menon Pistons. The company lost 40% of the OEM

sales last year due to recession.

- 13) In the market place, Menon Pistons have a good reputation for their quality.
- 14) The company operates both through a direct as well as indirect channel. The company has appointed distributors and dealers in various parts of the country who act as middlemen.

Direct distribution is done with the help of company Salesmen.

- 15) The company has no separate Marketing information System. Till recently everything was done manually, But now a computer is commissioned.

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6.2 SUGGESTIONS :

- 1) Since the company has good potential in the Replacement market, efforts should be made to exploit this market in optimum. For this purpose more salesmen should be appointed and more zonal offices opened.
- 2) A full fledged training should be given to the salesmen and Area Managers before they go into the field.
- 3) Target should be fixed not only for salesmen but also for Area Managers, after introducing more zonal offices.
- 4) The Salesmen, Area Managers and zonal offices should be required to collect and send to the head office information pertaining to the developments in their territories, competitors prices, discounts, promotional activities and so on.
- 5) The company should make intensive use of its computer

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and keep information up to date.

- 6) Intensives should be given to the distributors, dealers and salesmen who provide useful Market Information.
- 7) It is very important for the company to control its marketing costs & Even though the company's prices are low, this prize can be still reduced by reducing marketing costs.
- 8) Since the performance of the OEM market was declining, a study must be undertaken to find out the cause. There are chances that the piston life may be short or its overall performance may be poor when compared to other competitors Pistons. It is also possible that the competitors the offering better terms and services.
- 9) Frequent meetings of the Salesmen, Area Managers the General Manager of marketing should be convened, so that all the development within the company as well as environmental influences can be discussed.

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Moreover, any grievances of the salesmen, who are referred to all the company's Eyes & Ears' can be solved amicably and promptly.

- 10) Since there was drastic fall in the foreign market sales, it is absolutely necessary to study the causes.
- 11) Targets should also be fixed for distributors and dealers and they should be offered better terms and services.
- 12) Once more zones are set up, then the zonal managers should be asked to submit reports regularly on the working of their respective zones.
- 13) Promotional activities should be more, especially in the case of replacement market. Personal selling along will not do. Sales promotion and Advertising, will definitely promote sales of the replacement market.
- 14) Sufficient stocks of pistons, especially for cars

and two wheelers, should be kept with the dealers and distributors, Moreover, the Mechanics should be given monetary motivation to use and promote sales of the company's pistons.

- 15) The company should go in for attractive packing and offer more guarantee period for its pistons.
- 16) Lastly, After sale services must be given utmost importance. In case of faulty pistons, immediate replacement should be made. This is what customers want.
- 17) Now that Menon Pistons have an in house computer, all efforts should be made to develop a Marketing Information System.

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