

CHAPTER-V

CONCLUSIONS AND SUGGESTIONS

5.1 CONCLUSIONS :

From the data presented and interpreted in the last chapter, the following conclusions can be inferred.

1. Relatively Menon and Menon has appointed less number of dealers and the other two competing units viz. Kirloskar and Rocket company have appointed many more dealers to sell their products. Due to this the competitors could penetrate the market or increase the clientele to a greater extent.

2. a) All the manufacturers with exception of Laxmi Industries are accepting deposits from the dealers as a part of security. But the amount of deposit accepted by Kirloskar and Rocket Company is not fixed. It depends on the credit worthiness of the dealer. In other words it is not a pre-condition to offer dealership. Whereas in case of Menon and Menon deposit is taken irrespective of the credit worthiness of the dealers. Due to the above situation Menon and Menon cannot attract reputed dealers and can not increase dealership.

b) It is observed that Kirloskar and Rocket company are paying interest on the deposits of dealers at the rate of 10% and 8% p.a. respectively. Whereas Menon and Menon does not pay any interest. However, as a sound business practice they should pay interest on such deposits.

3. Kirloskar and Rocket companies extend credit facilities for a maximum period of 60 days. Moreover, these companies offer special cash discount if cash payment is done for the price. Menon and Menon does not provide any credit facility or cash discount for prompt cash payment.

4. Kirloskar and Rocket companies provide special incentive to dealers on the basis of the completion of sales quota. Whereas this is not provided by Menon and Menon company.

5. Kirloskar and Rocket Engineering companies are giving very attractive profit margins to its dealers. Whereas Laxmi industries and Menon and Menon Companies are not providing so attractive profit margins to their dealers. The scheme of higher profit margin can work as a good incentive.

6. News papers, demonstrations and exhibitions seem to be the most commonly used media of publicity. Some companies have used visual means e.g. cinema slides and hoardings at

public places, successfully. Practically every company tries to advertise its products in its own way.

7. Generally manufacturers bear some burden of advertisement and publicity expenditure incurred by their dealers. It is observed that Kirloskar and Rocket Company are sharing 50% of the expenses incurred by dealers. Whereas, Menon and Menon pays only Rs.20/- per engine sold towards advertisement expenditure Laxmi industries contributes nothing towards the advertisement and publicity expenditure.

8. After sales service is a basic feature of durable and technical products like Oil Engines. Naturally, it is observed that all the companies provide some sort of service facilities e.g. guarantee period, free repairs, servicing and replacement of defective goods during guarantee period.

5.2 SUGGESTIONS :

In view of the above conclusions, invariably the suggestions follow as under to improve the situation.

1. Menon and Menon should plan to develop its sales network by increasing the number of dealerships to capture the market and compete successfully with other companies.

2. It is observed that Menon and Menon insists on equal amount of deposits from all the dealers. Instead of this it should follow differential deposit system. Lesser amount of deposit should be taken from the reputed and experienced dealers. In otherwords payment of deposit should not be the basis crietrian for giving dealership.

3. It is customary to pay interest on the déposits collected from the dealers. Therefore, Menon and Menon should also pay some interest on the deposits collected from the dealers.

4. Advertisement and publicity is the most important weapon used to promote sales. Menon and Menon should therefore appeal to the motives of the buyers through forceful and more effective means of advertising.

5. It is a sound business policy to bear the burden of advertising expenses incurred by the dealers. Menon and Menon company should, therefore, encourage dealers to undertake wide publicity programmes by contributing some thing towards their advertising expenses.

6. It should try to increase the profit margin to the dealers and bring it in line with the competitors. This will

enable the company to attract more and more dealers.

7. It is observed that only dealers are the important link in the process of marketing the oil engines. Menon and Menon company should, therefore, provide enough incentives to the dealers to motivate them to boost sales.

8. Credit plays a dominating role in today's competitive world. In fact a company cannot survive and prosper without credit policy. Menon and Menon Company should therefore, give credit facilities to the dealers to increase the volume of their sales.

On the basis of the information made available, an attempt has been made to offer above suggestions. It is hoped that the efforts will be of some use to the organisation.

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